



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761114671365>

A20N
C21
P72

Government
Publications

70



P-1

P-1

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 13 December 2007

Journal des débats (Hansard)

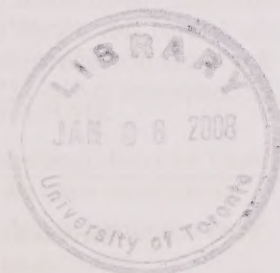
Jeudi 13 décembre 2007

**Standing committee on
public accounts**

Organization

**Comité permanent des
comptes publics**

Organisation



Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 13 December 2007

Jeudi 13 décembre 2007

The committee met at 1004 in committee room 1.

ELECTION OF CHAIR

The Clerk of the Committee (Mr. Katch Koch): Good morning, honourable members. Welcome to the standing committee on public accounts. It is my duty to call upon you to elect a Chair. Are there any nominations?

Mrs. Liz Sandals: I'll nominate Norm Sterling.

The Clerk of the Committee (Mr. Katch Koch): Mr. Sterling, do you accept the nomination?

Mr. Norman W. Sterling: Graciously, yes.

Mrs. Liz Sandals: If you'd said anything else I'd come over and throttle you. That shouldn't be on Hansard, should it?

The Clerk of the Committee (Mr. Katch Koch): Are there any other nominations?

Mrs. Maria Van Bommel: I move the nominations be closed.

The Clerk of the Committee (Mr. Katch Koch): There being no further nominations, I declare the nominations closed and Mr. Sterling elected Chair of the committee. Mr. Sterling, would you take the chair, please.

Applause.

The Chair (Mr. Norman W. Sterling): Firstly, I'd like to thank Mr. Hardeman for leading the applause on my appointment.

Mr. Ernie Hardeman: Thank you.

ELECTION OF VICE-CHAIR

The Chair (Mr. Norman W. Sterling): Next we have the election of the Vice-Chair. Do we have nominations?

Mrs. Liz Sandals: Yes. I'd like to nominate Jerry Ouellette as the Vice-Chair of public accounts.

The Chair (Mr. Norman W. Sterling): Are there further nominations? There being no further nominations, I declare nominations closed. Mr. Ouellette, congratulations on being elected as Vice-Chair.

Mr. Jerry J. Ouellette: Thank you very much.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Norman W. Sterling): The third point of business is to appoint the subcommittee to deal with committee business.

Mr. David Zimmer: I move that the subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof to consider and report to the committee on the business of the committee; that the presence of all members of the subcommittee is necessary to constitute a meeting; and that the subcommittee be composed of the following members of the public accounts committee: the Chair as Chair; Mrs. Sandals, Mr. Hardeman, Ms. Horwath; and that substitution be permitted on the subcommittee.

The Chair (Mr. Norman W. Sterling): Any discussion or comments? There being none, all those in favour of the motion? Carried.

That ends the formal part of the meeting.

COMMITTEE BUSINESS

The Chair (Mr. Norman W. Sterling): I thought there should be a little bit of discussion vis-à-vis the interim schedule before we reconvene. I'm informed by the clerk that we have three brand new researchers who are going to be working with the committee. I think it would be important for us to indicate as early as possible what our areas of interest in the auditor's report might be so that we could indicate to the researchers what areas they might start working on in terms of the report. So I suggest that the subcommittee meet immediately after the general meeting of the committee, but perhaps, Katch, you could introduce the researcher with us today and the other researchers who will be working with us as well.

The Clerk of the Committee (Mr. Katch Koch): Okay. I have to my right Susan Viets. Susan has been with the assembly for—

Ms. Susan Viets: Since February.

The Clerk of the Committee (Mr. Katch Koch): Since February. She came from the private sector. To assist Susan, we have Anne Marzalik and Lorraine Luski.

The Chair (Mr. Norman W. Sterling): Before the subcommittee meets, I did indicate to the House leaders that we might want to meet in the interim between now and March 17. While we've got the committee here, are there dates when people have plans, either out of the

country or on vacation or whatever? If there are bad dates, I'd like to know what they are. Maria, do you have some—

Mrs. Maria Van Bommel: January, for the most part.

The Chair (Mr. Norman W. Sterling): Okay. Any other times? My preference, in terms of my own personal preference, would be to try to arrange it somewhere around when ROMA is—is ROMA in Toronto this year?

Mr. Ernie Hardeman: Yes.

The Chair (Mr. Norman W. Sterling): And when is it?

Mr. Ernie Hardeman: The last weekend of February, I believe.

Mrs. Maria Van Bommel: Yes, usually around the 21st.

Mr. Ernie Hardeman: It's the ROMA and Good Roads conference together. I think it starts the last Sunday in February.

1010

The Chair (Mr. Norman W. Sterling): My inclination would be to try to group it around that time, when we're going to be in Toronto anyway, and that we do that.

What is the feeling of the committee in terms of the number of days you would like to put in during this period of time? Normally, Laura, we spend one day on each section of the report. We start usually at 9 o'clock in the morning, have a briefing, and then call in the ministry—is it at 10?

Mr. Jim McCarter: Usually I do the briefing from 9 till, say, 9:30 or 9:45. The ministry—or it could be the hospitals or universities—are on call about 9:30. So they know to be ready about 9:30 and we call them in between 9:30 and 9:45. It could be close to 10, depending on how long the briefing takes.

The Chair (Mr. Norman W. Sterling): Then we normally work till about noontime, and the odd time we have had to come back after lunch. We normally serve something here, a sandwich or something, and have a short lunch and then go back at it around 1 o'clock. In a lot of the cases we've been finished by noontime or shortly thereafter, but we have come back, I think, on one or two occasions.

Mr. Jim McCarter: Yes, maybe once; usually it's been wrapped up by 12 or 12:15. Often we'll get a sandwich and come back and the committee will give some advice to the researcher with respect to whether they want a report, and if so, what is the thrust of some of the recommendations.

The Chair (Mr. Norman W. Sterling): We've normally aimed at having nine sections dealt with in the auditor's report and nine reports on those hearings. So there are two parts to the process. One is having the hearing at the beginning, where we have the ministry people come in and we question them. The second part is writing the report, and that takes some time. The researcher prepares a draft report after hearing what we say at the end of the hearing. Then we go through several drafts of the report; it takes us two to three cracks—three

cracks normally—at most reports. So that process usually takes us into the fall of the year and maybe the last couple of reports. We try to finish it off before the auditor would come forward with his next report in December.

Each party has three choices and we rotate on that. I gave Dave Zimmer a call in your caucus and Andrea a call with regard to what their first couple of choices might be. I don't think we have to make the third choice yet. We're probably not going to get into that until we return on March 17.

What is the desire of the committee in terms of how many days you would like to meet during the break? Yes, Liz?

Mrs. Liz Sandals: My recollection from some past times is we tried to do three days on one week when the House wasn't sitting. We did Monday, Tuesday, Wednesday, or Tuesday, Wednesday, Thursday, and just did three different sets of hearings. That gave the researchers time to go away, and then when we came back to sit again there was an opportunity to have some work done. That certainly would give us enough hearings that the researchers would have some work to start. They're not going to get that far ahead on the work anyway. So three would seem to be about the maximum number of days. My recollection is it was probably easier to do three days at once.

The Chair (Mr. Norman W. Sterling): Okay. So let's tentatively look at February 26, 27 and 28.

Mrs. Liz Sandals: Maybe we should sort this out, Norm, in the subcommittee.

The Chair (Mr. Norman W. Sterling): Yes.

Mrs. Liz Sandals: I understand you want to be with ROMA but in terms of the researchers actually getting a start on work, would we be better to look around about the first or second week of February so that the researchers—the point of doing it when the House isn't sitting is to let the researchers get started on it, and they can't start if we don't do the hearings.

The Chair (Mr. Norman W. Sterling): They do most of their research prior to the hearings.

Mrs. Liz Sandals: No, but in terms of starting to do report writing.

The Chair (Mr. Norman W. Sterling): Oh, report writing. Okay.

Mr. Ernie Hardeman: In timing, if we're going to do it the last week of February, there's not much more time to do it than those three days.

Mrs. Liz Sandals: No, I was saying, do we want to do three days—

Mr. Ernie Hardeman: Because we're going to be back here mid-March, so we're only talking two weeks from the time we're setting up the meetings to the end of the recess.

Mrs. Liz Sandals: That's what I was saying. If we want to do three days, it might be better to do it about the first or second week of February. Then the researchers can go away and have some time to do the follow-up writing.

Mr. David Zimmer: The last week in February I'm out of the country.

The Chair (Mr. Norman W. Sterling): Okay. Well, how about starting on my birthday, February 19?

Mr. Phil McNeely: That's good. We'll have a party.

The Chair (Mr. Norman W. Sterling): I like red wine. Oh, this is on Hansard. I should be careful here.

Okay, let's check our schedules. The subcommittee will meet and then I will talk to the whips. There may be some conflicts with other committees too.

Mr. Ernie Hardeman: Mr. Chair, as a member of the subcommittee, I can't meet after this. This meeting was scheduled to be now. I have to be in the House speaking in a moment, so I can't be here for a subcommittee following this meeting right now.

The Chair (Mr. Norman W. Sterling): Okay, that's fine. Jerry Ouellette will sub in for you. Thanks very much, Ernie.

Mrs. Liz Sandals: Ernie, just before you go, are there any weeks in February that you're not available?

Mr. Ernie Hardeman: I'm always available.

The Chair (Mr. Norman W. Sterling): Okay, I think we've got sort of a feel. Jim, did you want to make any comments vis-à-vis the report this year?

Mr. Jim McCarter: No, other than to say that we had 14—even though it's called the public accounts committee, typically we don't spend a lot of time on public accounts. We pick sections in the value-for-money audit work we did, and we did 14 value-for-money audits this year. As well, in the past the committee has also done follow-up work. Two years after we do an audit we do follow-up work, so we have follow-up sections. It's more of a review than an audit, but we do follow-up sections. In the past I know the committee has from time to time also picked sections from those follow-up chapters, as well as the current 14 value-for-money audits. So basically that's generally where you're selecting from.

The Chair (Mr. Norman W. Sterling): So we will, through your representatives, let you know what the decisions are with regard to the subcommittee and the subjects of interest, and then we'll inform the researchers as to the ones we will choose for the February hearings, and then also give some indication of what the first couple of weeks when we get back in March might be.

Any further business? The meeting is adjourned and the subcommittee will meet here immediately after.

The committee adjourned at 1019.

CONTENTS

Thursday 13 December 2007

Election of Chair	P-1
Election of Vice-Chair	P-1
Appointment of subcommittee	P-1
Committee business	P-1

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

P-2

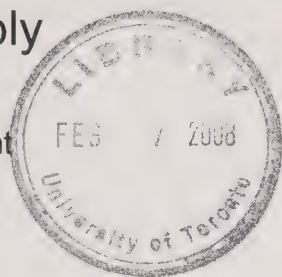


P-2

ISSN 1180-4327

**Legislative Assembly
of Ontario**

First Session, 39th Parliament



**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Thursday 21 February 2008

**Journal
des débats
(Hansard)**

Jeudi 21 février 2008

**Standing committee on
public accounts**

2007 Report, Auditor General:
Ministry of Health
and Long-Term Care

**Comité permanent des
comptes publics**

Rapport annuel 2007
Vérificateur général :
Ministère de la Santé
et des Soins de longue durée

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 21 February 2008

Jeudi 21 février 2008

The committee met at 0941 in room 151, following a closed session.

SUBCOMMITTEE REPORT

The Chair (Mr. Norman W. Sterling): Before we begin this particular consideration of section 3.09, we have a small matter to deal with in terms of the organization of the committee, so I would ask Mrs. Van Bommel to put forward a motion with regard to that report.

Mrs. Maria Van Bommel: I would move the adoption of the report of the subcommittee as follows:

Your subcommittee on committee business met on Thursday, December 13, 2007, and recommends the following:

(1) That the committee table the report on section 3.07 of the 2006 annual report of the Auditor General on Hydro One Inc.—acquisition of goods and services.

(2) That the reports on section 3.03 of the 2006 annual report of the Auditor General on community colleges—acquisition of goods and services, and on section 3.10 of the 2006 annual report of the Auditor General on the Ontario Realty Corp.—real estate and accommodation services, be printed and that the committee table both reports.

(3) That the report on section 3.11 of the 2006 annual report of the Auditor General on school boards—acquisition of goods and services, be signed off by the subcommittee, translated and printed, and that the committee table the report.

(4) That the following documents received by the clerk during the intersession be distributed to the committee:

—Ministry of Transportation responses on section 3.05 of the 2005 annual report of the Auditor General;

—Ministry of Education response on section 3.11 of the 2006 annual report of the Auditor General;

—Ministry of Health and Long-Term Care response on section 3.08 of the 2006 annual report of the Auditor General;

—Ministry of Citizenship and Immigration response to the committee motion.

(5) That the committee request authorization from the House to sit up to three days during the winter adjournment to consider the 2007 annual report of the Auditor General on February 20, 21 and 22, 2008.

(6) That the committee consider section 3.09 of the 2007 annual report of the Auditor General on hospitals—management and use of surgical facilities on February 21, 2008.

(7) That the other selection for consideration by the committee from the 2007 annual report of the Auditor General be section 3.12 on outbreak preparedness and management.

(8) That the government and the official opposition be allowed to provide their two selections to the committee at a later time.

(9) That the committee begin the review of each selected section with a closed session briefing by the Auditor General and the research officer, and the deputy minister, ministry staff and other relevant witnesses be asked to attend the committee following the closed session briefing to provide a response to the auditor's report and to answer any questions.

(10) That the clerk of the committee, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Chair (Mr. Norman W. Sterling): Any discussion? Shall the motion to adopt the report be carried? Carried.

2007 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.09, hospitals—management and use of surgical facilities.

The Chair (Mr. Norman W. Sterling): Thank you very much for your patience, Mr. Sapsford and other guests.

As I mentioned to the committee in our closed session—which is basically a briefing session, for those of you who are visiting with us today—the Ontario Hospital Association asked for an opportunity to make a statement here this morning, and the committee agreed that that would be likely.

Mr. Sapsford, perhaps you wanted to lead off.

Mr. Ron Sapsford: Thank you, Mr. Chair. I'm pleased to be here today on behalf of the Ministry of Health and Long-Term Care, and I want to thank the

standing committee on public accounts for providing the ministry an opportunity this morning to address some of the issues in the Auditor General's 2007 report on hospitals—management and use of surgical facilities.

Let me state at the outset that the ministry fully supports and appreciates the work of the Auditor General to complete this important value-for-money audit. This audit constitutes the second year of the value-for-money audits of the broader public sector, including the hospital sector. The ministry supports this report and is pleased to update you today on its progress since the audit was conducted.

Before I begin to address the specifics of the report, I think it's important to review the roles and responsibilities of the various players within the province's health care system. Under Ontario's legislation, accountability for each entity is clearly set out.

The Ministry of Health and Long-Term Care Act establishes the duties and functions of the minister, and through him the ministry, to oversee and promote the health and physical and mental well-being of the people of Ontario, and to be responsible for the development, co-ordination and maintenance of comprehensive health services. This includes a balanced and integrated system of hospitals, long-term care, family health and primary health care, laboratories, ambulances and other health care providers in Ontario, all engaged in providing timely and equitable access to health services to all the residents of Ontario. To move forward with the government's agenda to put patients at the centre of the health care system, the ministry recognizes the need to work closely with all of the health care partners.

The Local Health System Integration Act, a new piece of legislation, is designed to improve the provision of health care for Ontarians. It is about building a health care system around the needs of patients and communities, and, most importantly, defines the mandate and role of local health integration networks.

The Public Hospitals Act sets out the responsibilities of the province's hospital boards of directors and, importantly, the medical advisory committees that report to the boards. The board of the hospital is ultimately accountable for the quality of patient care provided in the hospital.

Recognizing that physicians have the expertise to supervise and assess the quality of care being provided to patients, every board is required to establish a medical advisory committee, which is responsible for recommendations to the board concerning the quality of care provided in the hospital by the medical staff and specified other health professionals.

Each of the regulated health professions, including the profession of medicine, is governed by the Regulated Health Professions Act, 1991, and a specific profession act. Under these acts, each of the professions has a college that is the self-regulating body for its members. The colleges are to protect the public through the regulation of practice of the profession and its members.

As I have said, the ministry takes its role and responsibility seriously in setting the system's strategic direction and administering the province's health system, but, importantly, we cannot overstep legislated boundaries. As a ministry, we must work within the legislative framework and, at the same time, in collaboration with our partners, deliver the best possible care to patients.

0950

You will see that the activities that the ministry has undertaken fall within its mandate and have been implemented in conjunction with our partners within the legislative framework that I set out earlier. We appreciate, as a ministry, that the Auditor General is also cognizant of the responsibilities of all of our partners, as demonstrated in his recommendations.

Let me turn now to where we are now in relation to the Auditor General's report on hospitals—management and use of surgical facilities, as outlined in the table that was provided to you. The ministry is encouraged by the Auditor General's references to the many projects currently under way within Ontario to improve the use of operating rooms. In particular, I would thank the auditor for acknowledging and highlighting the good work of the surgical process analysis and improvement expert panel, the perioperative improvement coaching teams, the surgical efficiency targets program, the new models of care being developed, the anaesthesia care teams and the wait time information system.

Overall, the report is valuable to the ministry as it provides guidance and information on areas for continuous program improvement, and the specific recommendations will be taken into consideration for future program development. I am pleased to report to you today that many of the Auditor General's recommendations have been implemented since the review of these three hospitals last March, and significant changes have taken place to improve the management of surgical facilities within hospitals.

For this presentation this morning, I will focus primarily on recommendation 7, which reads: "To monitor and manage patient wait lists more efficiently, the Ministry of Health and Long-Term Care and hospitals should continue to jointly develop more standardized reports, utilizing data from the new wait time information system that would readily provide hospitals and surgeons with useful and comparative information on patient wait times. As well, hospitals should periodically test the accuracy of their key data elements in the system."

In order to reduce wait times, the ministry has committed to providing timely and appropriate access to key services in five areas under the provincial wait time strategy: cancer surgery, total hip and knee joint replacements, select cardiac procedures, cataract surgery, and MRI and CT scans. To measure the province's wait times, the ministry implemented the wait time information system, which is a Web-based tool used to track and monitor provincial wait times at all hospitals participating in the wait time strategy.

The wait time information system works like this: Hospitals and surgeons submit data to the system that is then consolidated at the wait time information office. This information is then posted on the ministry's website at www.ontariowaittimes.ca. The wait time information system was fully implemented in all wait time strategy hospitals as of July 2007, after the Auditor General completed his audit of the three hospitals. At present, the system is deployed in 82 hospitals across the province. Participating hospitals are those who have elected to take part in the wait time strategy by agreeing to complete additional surgical cases, which is part of their funding agreement. Approximately 86% of all cases completed for these five key services are completed at the hospitals who participate in the wait time strategy.

Currently, the wait time information system tracks the procedures in these five areas, and at present, this represents about 14% of all surgical volume of all hospitals in the province. By summer 2008, the ministry and the hospitals will have implemented the system for all general surgery, all ophthalmology and all orthopaedics, which will represent over 50% of all surgeries in the province. By summer 2009, all surgical procedures at wait-time-strategy-funded hospitals will be captured and reported publicly on the ministry's website. As well, by 2009, the information system will also include pediatric surgical cases at both academic and community hospitals.

While hospitals currently have the capacity to generate patient-priority-level reports, as was referred to in the auditor's report, from the wait times system, by summer of 2008, this information will also be publicly available.

This information system is changing the way hospitals manage their wait times. This particular information system was recognized nationally last year when the project won the 2007 Diamond Award from the Canadian Information Productivity Awards for excellence in the non-profit sector. CIPA is one of the largest business awards programs in Canada and a CIPA award recognizes excellence in information technology and innovation.

In March 2007, significant changes were made to the website, which address recommendations of both the Auditor General and Senator Kirby. There is now a section for patients and a separate section for health care providers. This is to provide more relevant information to better meet the decision-making needs of the specific users. And to improve the public's and providers' ability to use the website, the site has been modified to improve its functionality.

Beginning last November, the patient section is refreshed monthly rather than bimonthly as was previously the case, and reports on the most recent data of the previous three months are also available.

MRI and CT scan information is reported differently on the public and provider sections as recommended in 2006 by the Auditor General. On the patient section of the website, wait time information for in-patients and urgent outpatients has been removed from the wait time calculation. The information now being reported represents elective patients waiting for scans only.

On the health care provider section of the website for MRI and CT scan information, it is now possible to view in-patients, outpatients, or all patients waiting times. This gives providers the ability to see the differences in wait times of these two patient groupings.

All of these new enhancements make it easier for hospitals to compare their wait time performance with other hospitals. The enhancements also enable hospitals to generate reports to help them understand wait time performance within their hospital and make adjustments as necessary. In addition, to assist hospitals to use the wait time information, the ministry has provided all hospitals with extensive training for all users of the information system. Users at each hospital are also supported by their respective wait time information system coordinators who ensure data quality and submission compliance and extract hospital-level reports for performance management purposes.

And so today, wait time hospitals are regularly using the system to review their data and their ability to meet targets.

Finally, I want to inform the standing committee that the ministry established an independent data certification council in February 2007 to review and approve how Ontario's wait time information is collected and reported on the wait time website, to ensure fair and accurate representation of the information.

As stated before, standardized reports are available on the wait time information system, and the information office is in the process of developing a decision support tool to assist hospitals in using this information. The tool will be provided to all wait time hospitals in the spring of 2008.

Again, as I stated, the system is moving to report all surgeries in wait time hospitals. This is a system in evolution and enhancements will be made as time goes on and as needs arise.

In reference to the recommendations related to surgical efficiencies, as noted in the Auditor General's report, the ministry is implementing the surgical process analysis and improvement—or SPAI—expert panel's report recommendations. This panel was established in October 2004 to assess the patient's journey from the decision for surgery through the perioperative stage and to identify areas that could be improved to increase surgical efficiencies in order to provide a seamless flow for the surgical patient.

1000

One recommendation of the SPAI expert panel was that the ministry implement perioperative improvement coaching teams. This program was started in the winter of 2005-06. These coaching teams, composed of clinical and administrative experts in surgical practice, help hospitals to improve their operating performance by assisting hospitals to address many of the efficiency issues identified in the Auditor General's report. The teams are made up of peers with experience in the effective management of operating rooms. They assist hospitals with planning, mapping their processes, analyzing results,

identifying areas for improvement, and determining optimal human resources and scheduling of surgery. The coaching program started in December 2005, and to date the coaching teams have visited 46 sites.

An additional recommendation of the SPAI expert panel was to develop a surgical efficiency targets program to track and monitor predetermined operating room key performance indicators. The surgical efficiency targets program, or SET, is a Web-based tool, again, where participating hospitals enter operating room data into the system. Although the system is still in its implementation phase, all wait-times-strategy-funded hospitals are involved with the program and are tracking phase 1 key performance indicators, which include prime-time operating room utilization, start time accuracy and scheduling accuracy.

Additionally, in order to calculate utilization, the program requires operating room information. To date, there are 676 operating rooms currently in use among the 82 hospitals participating in the wait times strategy. Phase 2 of the program will capture unused capacity in these hospitals as well.

The data that is collected on the SET program provides decision-makers at the participating hospitals, the LHINs and the ministry with current and reliable information regarding operating room performance. This system will provide local health integration networks with accurate data to work with their hospitals and community stakeholders to more efficiently allocate resources, optimize surgical throughput, reduce wait times and improve the patient experience.

It will be the role of the local health integration networks to work with the hospitals, using this data, to develop work plans to achieve target improvements. Once performance targets are set, LHINs will be able to ensure that hospitals are managing in accordance with the best practices developed by the expert panel.

Next, let me turn to recommendation 9 in the report regarding patients who no longer require hospital care.

As you are aware, the ministry has put into effect a number of strategies to improve the flow of patients through the health care system. This includes investments in alternate levels of care, which were announced on February 16, 2007, and the aging-at-home strategy, which was announced by the government on August 28, 2007. The local health integration networks are primarily responsible for the implementation of the aging-at-home strategy, to be done over a three-year period. The focus of both of these strategies is on improving health programs for seniors at home; preventing senior admissions in hospital emergency departments; building appropriate community settings and seniors' programs within those settings; improving care delivery; and improving hospital performance related to seniors' care.

The last item I'd like to address is the Auditor General's recommendation related to flash sterilization. I thank the Auditor General for raising this particular issue.

On receiving the draft report, the ministry, in conjunction with the Ontario Hospital Association, for-

warded a letter to all hospitals asking them to review their sterilization procedures in relation to the Provincial Infectious Diseases Advisory Committee, or PIDAC, guidelines entitled Best Practices for Cleaning, Disinfection and Sterilization in All Health Care Settings.

The OHA, as you will hear shortly, convened a conference and held a webcast on their website on flash sterilization. Recently, the Ontario Hospital Association distributed a flash sterilization fact sheet developed by PIDAC to all hospitals.

This work with the Ontario Hospital Association is the best example, in my view, of the new approach that the ministry is taking to its role. I would like to thank and compliment the Ontario Hospital Association and its staff for their collaborative efforts to inform providers of this matter. The ministry is committed to working with its partners and to ensuring that Ontarians receive high-quality, timely and appropriate care.

Once again, Chair, I wish to thank the public accounts committee for this opportunity today to discuss how we are managing in these areas and how we intend to work harder in the future to ensure Ontario's health care system will continue to provide the best possible health care for all Ontarians.

Again, the ministry is grateful for the Auditor General's report. Productive feedback is an important part of any efficient system. Continuous improvement is the key to every successful activity, and effective improvement depends upon useful feedback. The Auditor General's report is indeed an invaluable report card that tells us what, where and how we can improve Ontario's health care system. Thank you, Chair.

The Chair (Mr. Norman W. Sterling): Thank you very much.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Mr. Norman W. Sterling): Next, for members of the committee, we're going to hear from Mr. Closson, who is the newly appointed president and chief executive officer of the Ontario Hospital Association. On behalf of the committee, I want to congratulate you on your new appointment.

After Mr. Closson's presentation, we'll call forward the representatives of the three hospitals. They are going to respond to questions from the committee as well as Mr. Sapsford and Mr. Closson.

So, Mr. Closson, if you would go ahead.

Mr. Tom Closson: Thank you, Mr. Chair, and good morning, everyone. On behalf of my—

Mr. David Zimmer: Could we have a copy of the remarks?

The Chair (Mr. Norman W. Sterling): No, we don't have a copy of the remarks.

Interjections.

Mr. Tom Closson: On behalf of my colleagues behind me—Kevin Smith, who is the president and CEO of St. Joseph's Healthcare in Hamilton; Joe Pilon, who is the vice-president of Sudbury Regional Hospital; and

Rob Devitt, who is the president and CEO of Toronto East General Hospital—I'd like to thank the members of this committee for inviting us to speak and answer questions about the management and use of operating rooms. I should say that the CEO of the Sudbury Regional Hospital is ill today, and that's why Mr. Pilon is here on her behalf.

Because we embrace accountability and transparency, Ontario's hospitals are always interested in the opportunity to speak publicly about our many successes and also about the steps we're taking to do even better. This is one of those opportunities. So, again, thank you.

As you know, we're here to respond to the observations and recommendations regarding hospital operating room efficiency made in the Auditor General's annual report, to outline progress we've made since the audits were conducted, and to answer questions you may have.

The Auditor General found that audited hospitals were, in his words, "managing ... their surgical facilities well in some areas" and were working with the Ministry of Health and Long-Term Care on "several encouraging initiatives in connection with its wait-time strategy designed to help hospitals improve their surgical processes"—on page 206 of his report.

I would like to note that the Auditor General's observations with respect to sound management in hospitals are consistent with other independently produced evidence that suggests Ontario hospitals are among the most efficiently operated in Canada.

The last few years have been a time of continuous change for Ontario's hospitals. In 2004, the government of Ontario created the wait time strategy. I'm proud to say that the OHA and its members supported the wait time strategy from the outset and we continue to support it. The creation of a wait time strategy was revolutionary in terms of how wait lists were managed in hospitals. An inefficient, largely paper-based approach to wait list management was replaced by one that is digital, centralized and systematized. The introduction of a new and welcome volume-based funding approach, when coupled with surgical process and standardization improvements, has allowed hospitals to complete more surgeries more efficiently. The new and improved techniques are being shared across the hospital sector through conferences and training sessions such as those sponsored by the Ontario Hospital Association, and also by ministry-led expert perioperative coaching teams.

1010

Anyone with a computer can now go online and, with a few keystrokes, access information about wait times in hospitals, in LHINs, and across the province. This kind of information can help patients and their health care team to determine the best course of action.

Finally, and most importantly, the length of time that Ontarians are waiting for a number of very important procedures has shortened significantly at many hospitals. These are successes that hospitals are rightly proud of.

That said, it is no secret, and should be no surprise, that the full potential of the wait times strategy has not yet been reached. The introduction of any revolutionary tool requires users to rethink every aspect of how they do things and what they do in order to make full use of that tool.

As noted in the Auditor General's report, hospitals must absolutely make better use of the data that they are collecting. More must be done to improve the scheduling of procedures in ways that allow hospitals to maintain the integrity of their surgical staffs and reduce the number of delays or patient cancellations. We must also ensure that surgical instruments are available and ready to be used every time they are needed. These are relatively straightforward improvements that most hospitals can make. The OHA will continue sponsoring training opportunities where our members can both learn and share how they are successfully implementing these improvements.

We must also remember that as a public policy instrument, the wait times strategy is relatively young and has not been perfected. It is also fair to say that the wait times strategy has put new pressures on hospitals. Some pressures, like ensuring the right mix of health professionals is available at Ontario hospitals, were anticipated. Others, such as the extent to which the demand for surgical instruments would increase, were not. Further, the increasing levels of alternate-level-of-care patients in our hospitals, if left unaddressed, could make additional progress more difficult. However, we are working with our partners in hospitals, in the wait times strategy office at the ministry and at the HealthForceOntario group, to make sure these challenges are met head-on. I believe very strongly that we can resolve these challenges and do more for patients.

I will now turn briefly to the use of the procedure known as flash sterilization.

Flash sterilization is meant to be used when the rapid turnaround of instruments is required. The Auditor General found that flash sterilization was being used at some audited hospitals with higher than appropriate frequency. I would like to stress that I am not an infection control expert, so I'm not in a position to answer all the technical questions about surgical instrument sterilization techniques, or flash sterilization specifically. As you know, the OHA is a member-oriented advocacy organization; we're not a regulatory or scientific body. For that reason, we defer to the expertise of the Provincial Infectious Diseases Advisory Committee, or PIDAC. PIDAC has stated that flash sterilization is an acceptable practice in certain circumstances. For example, a situation could arise in an operating room where an important instrument is contaminated and there's not enough time to subject it to the regular sterilization process. In such circumstances, the risk to the patient of having to wait for a reprocessed device is greater than the risk of flash sterilizing the instrument. I'd also like to reassure the members of the committee and Ontarians who may be watching or listening that these experts believe the use of flash steri-

lization in these circumstances poses a low risk to the patient.

As noted by Deputy Minister Sapsford, in November 2007 the OHA and the ministry distributed PIDAC's advice on the appropriate use of flash sterilization in a letter to every hospital in Ontario. We followed that letter with a videoconference viewed by 274 individuals from OHA member hospitals, during which PIDAC's experts discussed the appropriate use and methods of flash sterilization. That videoconference was archived on the OHA's website and has since been viewed by an additional 186 individuals. We have also distributed to hospitals a flash sterilization fact sheet to reinforce the advice and are examining additional opportunities, such as educational conferences, to reinforce best practices.

I would also like to note that the OHA has worked with the Ontario Buys Ministry of Finance broader public sector supply chain secretariat to create and launch the operating room supply chain project. The objective of this program is to assist hospitals to make targeted improvements that would ensure sufficient instrumentation and supplies to support operating room schedules, separate physical supports from clean and soiled instrumentation and supplies, and standardize instrument supplies and vendors.

Each of these process enhancements would promote specific leading practices as identified in the Ministry of Health and Long-Term Care's surgical process analysis and improvement expert panel report. A number of hospitals have expressed their interest in this project, and we expect to begin evaluating its success beginning in April 2009.

I would like to conclude my remarks the way I began them, with our thanks. I would like to thank the Auditor General for his report. I can assure him and members of this committee that the OHA and its members will take the recommendations very seriously. As you've heard, a number of the initiatives have already been undertaken to respond positively to the Auditor General's recommendations, and our work, both at the OHA and the audited hospitals, continues.

Through you, Mr. Chair, I would like to thank the committee again for allowing us the opportunity to appear here and discuss the Auditor General's recommendations and observations. We look forward to answering any questions that you might have. Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. I'll call forward now Mr. Smith, Mr. Pilon and Mr. Devitt. Perhaps each of you could identify yourselves, which hospital you come from and approximately its size. Mr. Devitt, who I am very well aware of from my long political career, used to be at the Queensway Carleton Hospital. He won't go away, and I won't either.

Mr. Robert Devitt: Thank you, Mr. Sterling. I'm Rob Devitt. I'm CEO of Toronto East General Hospital. Toronto East General is about a 500-bed community teaching hospital, so that means we offer a full range of acute care, rehabilitation and mental health services, and

we're also very active in teaching the full range of health professionals: nurses, physios, pharmacists, physicians.

Dr. Kevin Smith: Good morning. I'm Kevin Smith from St. Joseph's Healthcare in Hamilton. We are an academic health science centre affiliated with McMaster University. Approximately 5,000 people make up the organization, with a budget of approximately half a billion dollars.

Mr. Joe Pilon: I'm Joe Pilon. I'm the senior vice-president at Sudbury Regional Hospital. We're also an academic hospital, fairly large. Our budget is about \$300 million and we have about 525 beds.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mr. Hardeman, you had some questions?

Mr. Ernie Hardeman: Thank you very much for your presentation.

First of all, I want to say thank you on behalf of all the people I represent for the good job the hospitals do in providing health care to them. I was talking to a professional in the health care field not too long ago and we were talking about the challenges and the things we hear in the media from day to day about how bad it is. He said, "You know, the largest complaints come from people who have never been involved in the health care system, who likely haven't even been to the hospital." So I want to say that it's not often enough, when we have the opportunity to talk to the people who administer health care in hospitals, that we say thank you for doing the work that you do.

Having said that, I just want to start off with the discussion I had with the Auditor General this morning, to make sure that we—

Mr. David Zimmer: Excuse me, Chair. Just before we start, what is the rotation plan?

The Chair (Mr. Norman W. Sterling): Mr. Hardeman caught my attention first. We give parties usually about 15 minutes each, and we rotate around.

Mr. David Zimmer: Okay. Thank you, Chair.

Mr. Ernie Hardeman: The discussion I had with the Auditor General this morning—and I appreciate the hospital association being here this morning. The question and the concern I have is that as we have the Auditor General look at the operation of three hospitals and we hear from the presenters how invaluable that tool is to find the things that can be improved upon, how do we proceed to get that message out to all the other hospitals, that we want to make those improvements even though they weren't the lucky ones to get audited?

1020

Mr. Ron Sapsford: The process that we use—certainly, we view the Auditor General's report as part of what I would call quality improvement. Continuous quality improvement in the health care sector is a way of operation that's quite common. So we use the auditor's report as identifying areas for improvement, as you've heard this morning and as we'll talk about. The ministry and the OHA and hospitals have followed up to try to build those improvements into the system. But that's only the first step, because we're using the wait list strategy as an

example of how to improve the system and then take the next steps to expand that across all hospitals.

So it's an ongoing process, and we're using the wait list hospitals; I should say that there are 86 of them, I think, but they do represent a huge amount of the surgical care that is offered in this province. While we're focused on certain procedures, inside the hospitals they're looking at these improvements and applying them to all of their surgical cases; then beyond that, as we gain experience, moving it through teaching and updates and the coaching teams as well to all hospitals across the province.

Mr. Ernie Hardeman: On that same issue, the flash sterilization would come into question. In your presentation you said that we immediately sent out letters to every hospital stating to look at the protocol, to make sure they adhere to the protocol. I guess this would be the hospital association, because they sent out the letter. How do we deal with the fact that now that we've told them what they should do—what assurances do we have that that's what's happening in every hospital? It appears the only reason that they were using flash sterilization is because of the lack of resources to buy the equipment—we want quicker turnaround for the same equipment so we do it that way. What is going to prompt them to change just because we told them to look at the protocol?

Mr. Tom Closson: You have to start from the premise that hospitals are independent corporations. They have their own boards, they have their own medical advisory committees, and they have to manage the trade-offs in terms of how they allocate their resources to best serve the patients that they serve. The Ontario Hospital Association, as I indicated earlier, is not a regulatory organization. We're there to support our members, providing them with information on best practices, providing education on best practices and videoconferences, and we really encourage all our members to participate. But in the end, the individual hospitals will have to make their own choices.

If we look at flash sterilization as an example, in preparing for today—because, as I said, I'm not an expert in infection control—I had a discussion with Dr. Michael Gardam. I used to be the CEO of the University Health Network; he's the head of infection control there and somebody I have a very high regard for, having gone through SARS with him a few years ago. When you look at infection control in general in hospitals, there are actually a lot bigger issues than flash sterilization. Probably the biggest issue—I'm sure you've read about this in the papers—is whether the providers wash their hands, and having campaigns to do that.

Another very important thing, very expensive to do but they're doing it at UHN at the moment, is testing every patient who comes in for MRSA, VRE and C. difficile. It's very expensive to do. I'm sure you've read in the paper about the issues associated with outbreaks related to those in hospitals, not only causing inefficiency but also in the end actually having some people die as a

result of contracting these bugs. These are real, serious issues that cost a lot of money to address.

If we take that in comparison—this is why I say that I think each hospital board needs to make its own decision. This is best practice in terms of flash sterilizing only in emergency situations, but for some hospitals, being able to do that would require hundreds of thousands—in fact maybe millions—of dollars' worth of investments in additional instruments.

Just to give you an example, for heart bypass surgery, the instruments to do a case cost about \$80,000. Obviously, you reuse the instruments and don't throw them away, but if you were increasing your volumes and therefore had to have more sets of instruments, they're very expensive, and it adds up because we're increasing the volumes of surgeries to reduce wait times in the province. So a board would be faced with the situation, "Okay, we want to improve infection control here. Would we be better off spending our money on buying more surgical instruments so we reduce the amount of flash sterilization, or would we be better spending our money on testing of people for MRSA or VRE, or having a major handwashing campaign and monitoring what's going on?" These are the kinds of challenges.

We're not telling them exactly what they should do; we're giving them best practices and trying to engage them on that. What we're getting back from our members is, they want to move towards best practice in this area, they want to be using flash sterilization only to a minimal extent, but the risk is a theoretical risk. There are no studies out there you could find that say that people are dying because of the extent of flash sterilization. It's a totally theoretical risk, whereas some of these other risks I mentioned aren't theoretical. There's good evidence from research that would suggest that they're very serious. So we provide the information, as I say, and the education, and then each hospital board needs to make their own decisions.

The Chair (Mr. Norman W. Sterling): Dr. Smith, did you want to add to that?

Dr. Kevin Smith: There's one other issue to Mr. Hardeman's question. We also have a national accreditation body, the Canadian Council on Health Services Accreditation. One of the standards that our accreditation body looks at would include issues of infection control. So in addition to the very helpful work of Mr. McCarter and Ms. Klein, we also have regular updates to our accreditation council, and that would be carefully observed.

Mr. Ernie Hardeman: I guess my concern, as was mentioned earlier, is that we have to weigh the cost-benefit for all procedures in order to make the budget stretch. So I think when the auditor says that this is not the safest way to do it, and we tell all the hospitals that this is not the safest way to do it, somebody has to stand up to the plate and say, "Okay, here's the funding to change what you're doing." There has to be a connection between expecting something and allowing hospitals to be able to do it.

Mr. Tom Closson: There's only limited money in the health care system, and that's one of the reasons having hospital boards makes a lot of sense, so somebody locally, with the advice of experts, can be making these trade-off decisions in the best interests of patients.

Mr. Ernie Hardeman: Getting to the point of there being only so much money, in my community and in a lot of smaller towns in rural Ontario, utilization of hospital operating rooms is strictly based on their ability to pay for them to be open. In fact, operating rooms are sitting idle because they can't afford to keep them open or have them utilized. If you look around in my community, the hospital with the most balanced budget is likely the one that performs the least operations, because the operating room isn't open. Doctors call my office and say, "We could reduce the waiting time if we could get more operating room time." The room is there—it's not functioning—but they can't get time because they're only allocated as much as the hospital can afford.

Do you have any idea, representing the hospital association, how big a problem that is, that operating rooms are just not operating because it was decided that the budget money would go somewhere else?

Mr. Tom Closson: First of all, you only need to do as many surgical procedures as need to be done. I don't think we'd want to fill all of our operating rooms with surgical procedures. There's only so many that need to be done. The wait time strategy is trying to determine whether people are getting timely access to surgery. We're still not at the targets of the wait time strategy; this is work in progress. We're moving towards it, so it would suggest at the moment that there's still a need for more surgery to be done. So I'll say that.

1030

Then you come to the issue of where that surgery should be done. The Ontario Hospital Association believes strongly that each of our local health integration networks needs to develop a regional service plan of the various mix of capacities: acute beds, the amount of surgery, the number of operating rooms, the number of nursing home beds, the amount of home care—you name it, the whole gamut. There needs to be a standardized approach to that in the province.

That sort of work was actually done 10 years ago at the time of the restructuring commission, but that work hasn't really been done in a very formal way across the province in the last 10 years. We believe strongly that it should be done. Then you could try to determine where and what kinds of procedures should be done.

For small hospitals—I know that in some cases in the north there are orthopaedic surgeons going from, for example, Thunder Bay out to the smaller communities so many days a month to do surgical procedures in those facilities. So you need the surgeons, you need the nurses, you need the anaesthesiologists; you have to have the right mix of staff. As you know, that's another issue in the health system. It's challenging to get the staff we need to actually do the procedures. Sometimes, procedures tend to be more consolidated just because you

can't get access to that kind of staff in the smaller communities. But, as I said, there are good examples of surgeons going out and doing the procedures in local hospitals, which has the benefit for the people in those local communities that they don't have to go long distances to get the procedures done.

Mr. Ernie Hardeman: One of the things that the association has suggested is that there's 18% occupancy of beds in the hospitals that would be better served in another location, another way of service. That's holding up the process of surgery, particularly in the wait time strategy priority areas.

I guess the question is, which is the problem—the beds that are not available at the end of the surgery, or our ability to do the surgery if we found a place to put that 18% of our population in each hospital?

Mr. Tom Closson: Let me speak about it, first, a little bit more broadly, because you've raised the issue of alternative level of care, which, of course, is in our documents and in the auditor's report as well.

We have a growing issue around alternative-level-of-care patients. These are patients who have finished their acute care episode and they're still in the hospital. It gets back to my earlier point. If we had the right mix of capacities out in the community for home care, assisted living, nursing homes, we could move them out.

The major impact of ALC is not on surgery, although there are some minor—I'll come back to that. The major impact of ALC is you've got all these medical patients—they tend to be medical patients, not surgical patients who are ALC—in medical beds, and all the medical beds are full and people need to be admitted out of the emergency department into the acute care beds, and they can't get out. So actually the big impact is on emergency ward wait times.

However, having said that, there certainly are examples from time to time in different hospitals of medical patients actually having to be cared for in surgical beds because all the medical beds are full. What do you do? You're trying to get people out of the emergency department, so the medical patients are put into surgical beds. Now you're faced with the situation where surgery is to be done and the concern is that there is not going to be a bed to put the patient in after the surgery is finished, so the surgery has to be cancelled. This is not a huge issue, but it is an important issue because, if you're a patient, you wouldn't want your surgery to be cancelled.

I need to say one other thing, though, just to put this in context. For about 70% of surgery that is done in Ontario hospitals, people don't go into in-patient beds; it's day surgery. They go to the hospital, there is day surgery and they leave. It's not impacted by ALC at all. It's that 30% where people would need a bed. Sometimes they are having to cancel those cases because the beds are full of medical patients.

Mr. Ernie Hardeman: The reason I asked that question is that it's part of the auditor's report. He drew a connection. He was looking at the utilization of our emergency facilities and he came up with the conclusion

that there was a roadblock in the way—beds occupied by people who shouldn't be there—so surgeries were being cancelled, just as you mentioned.

Mr. Tom Closson: Yes.

Mr. Ernie Hardeman: I guess my question is, if we found a way to get those beds vacant, how much impact would that have on our wait time for surgery?

Mr. Tom Closson: Hospitals do not like to put medical patients in surgical beds. It's not the best care, right? The nurses are used to dealing with surgical patients; particularly in the bigger hospitals, you have to have certain doctors go to those units where they don't normally go to take care of that medical patient. So it's not the best care. If the ALC numbers dropped, the first benefit would be to keep the medical patients out of the surgical beds; that would be the first priority. That would mean that surgical cases wouldn't be cancelled because there was no bed. But the reason surgical cases get cancelled isn't just because there is no bed. It could be because there are no nurses. It could be that they need to go to the intensive care unit, and the intensive care unit is full. It could be because they're short of anaesthesiologists. It could be because somebody got sick—

Mr. Ernie Hardeman: No, I'm not suggesting it is, but my question really is, what part of the problem belongs to that? If you're going to solve a problem, you have to look at what needs to be solved.

Mr. Tom Closson: Right.

Mr. Ernie Hardeman: How much would we improve the process for the emergency department if that was done, if we had more long-term-care beds or more people in their home?

Mr. Tom Closson: For the emergency department it would be night and day, if we didn't have the ALC patients. Right now, we have about, by my latest numbers—it's actually grown a bit, but the last numbers we've been using are 680 people who are in emergency departments, admitted, who can't get into acute care beds, and 680 patients is a lot of patients. It's bigger than most hospitals are in this province. In fact, it's as big as a couple of hospitals or maybe three hospitals, so it's a big number. So that would really help with the emergency department access issue. On the surgery issue, it would be a small part of reducing the likelihood of the cancellation of a case, but it's not a major contributor to case cancellation.

The Chair (Mr. Norman W. Sterling): Thank you. Ms. Horwath.

Ms. Andrea Horwath: One of the things I was curious about is that the auditor's report mentions that the internal audit service of the ministry hasn't been used to determine any of the surgical issues. So I was just curious, and it's a really small issue: Is there an internal audit service that the ministry has, and what are its priorities at this point? Then, to follow up with that, the auditor's report also suggests that perhaps individual hospitals should have internal audit functions, and apparently many of them don't, or all of them don't. So a little bit of conversation about that, just a curiosity issue.

Mr. Ron Sapsford: Yes, the ministry does have an internal audit function. They're generally directed to auditing of provincial health programs to ensure that we're in compliance with government standards, transfer payment rules and so forth. So they act as a resource to the ministry at large for our own management of the broad range of programs and services that we have. They will also function in urgent situations, going out into the field where a specific problem is identified, a financial problem, and then we would dispatch our internal resources out to a facility or a specific problem where we had concerns about the financial health, perhaps, of an organization.

In this particular case, the whole wait times strategy is a project in and of itself, and we've organized and devoted substantial ministry resources to developing the project, working with the hospitals, implementing the project, developing and implementing the information system, and working with them that way. Occasionally, as we go through the program implementation, we'll ask our internal audit team to go in and monitor as we go to make sure that as we develop and implement the program, it's being done with best practices in mind.

Ms. Andrea Horwath: Okay, excellent. And just from some of the hospitals maybe, do you have internal audit functions, and do you find them useful?

Mr. Joe Pilon: We certainly do. It goes to organizations trying to measure their performance, and one of the ways we do that is benchmarking. We do that internally at Sudbury Regional Hospital with decision support, and occasionally we take outside consultants, third party, who have objective means of auditing our processes. We've done that in the OR with some outside consultants. We were fortunate enough to have the auditor come in as well. It is important, in the new days of strong accountability, for organizations to audit their processes.

1040

Dr. Kevin Smith: We too can offer a number of internal processes. What we haven't offered, and what I think the Auditor General's process allows us to look at, is a value-for-money audit. I think that is a new approach for us, and it's been a very helpful one.

Mr. Robert Devitt: We don't have a formal internal audit process along the lines that Kevin just spoke of. We've actually looked at it and the cost to put it up and running, and we've made the decision to invest that money in direct patient care. But we do regular benchmarking annually as we do the budget development process. Our board gets a quarterly report of performance indicators, measured against provincial benchmarks. We've been able to balance our budget in each of the last four years; in fact, to turn a surplus.

Mr. Tom Closson: Almost all of the medium and larger hospitals in the province participate in a benchmarking exercise that the Canadian Institute for Health Information and the Hay Group manage to measure clinical and operational efficiency and compare one hospital to another. That's a national benchmarking, so that

means we can actually benchmark Ontario hospitals against hospitals in other provinces. You may have noticed that I slipped into my remarks how Ontario hospitals are the most efficient hospitals in Canada. This comes from that benchmarking, the CIHI/Hay. It shows that we admit fewer people per capita, we keep them for a shorter length of stay, and we staff at lower levels than at other provinces. So Ontario hospitals are quite remarkable. In fact—I said this to SCFEA and I see a few similar faces—we actually spend \$100 per capital less on hospitals in Ontario than the other provinces do. One hundred dollars doesn't sound like much until you multiply it by the number of people in Ontario: It comes to \$1.2 billion less that we spend on hospitals. So I'd never suggest that there isn't room to improve our processes or to improve efficiency in Ontario hospitals, but we're starting from a very solid base of efficiency in this province.

Just to be a bit more specific about internal audits, I was fortunate enough to work at both Sunnybrook and the University Health Network. In both cases, we discussed the idea of having an internal audit group and decided against it at the board level because of the challenge, given the size of the organizations, of recruiting and retaining really good people to perform that function. I expect the Auditor General would say that he has difficulty doing that, even for the whole Ontario government. So what we did instead at both of those organizations, and a number of larger hospitals do this, is they have their own auditor who audits their financial statements, but they'll use a different auditor, an external auditor, to be their internal auditor. There are a couple of external auditors who have sort of specialized in this, and they're doing it for several hospitals. That has the advantage, then, that they can compare what they're seeing in one hospital to another and to provide some real value-added to the organization. So you can do it that way.

As was mentioned, at Sudbury they tend to use management consultants. Certainly almost all hospitals use management consultants to a greater or lesser degree, to maybe give them a sense of the value for money that they're achieving. But because of the financial pressures, every year we're constantly looking to become more efficient. We have no choice. The focus on patient safety, which has become enormous in the last few years—hospitals are putting lots of energy into looking at how they measure whether they're safe and how they change their processes to be safer for patients. The environment imposes a real requirement that we be accountable, but I think—and I've been in the industry a long time—the people who work in the industry at the moment are really grabbing hold of trying to work on improving how they function.

Ms. Andrea Horwath: Thanks very much.

I'm going to switch gears a little bit, because one of the issues that came up in the report and piqued my interest—and maybe a little discussion about this would be helpful. I know that the purpose of the wait list strategy and a lot of the work that's being done by the min-

istry is really all about improving access of patients to docs, to surgeons, to nurses, to the whole medical system. But one of the things that came up in the process of the auditor's work and is identified in his report is the idea of making public the individual surgeon wait lists. I know that there is some resistance to that by the ministry. I know there are other jurisdictions, as the Auditor General reported, that have that in place already. I just want to get a perspective from the ministry as to why the ministry is resistant to that or doesn't believe that's a good thing to do, and then maybe some comments from some of the others as to making public the surgeon-by-surgeon wait list.

I guess part of the reason I raise it is because if the stated goal is to reduce wait times and provide greater access, then, in theory anyway, you would think that family physicians and patients could perhaps have more choice if they knew which surgeons had a lower wait list and could perhaps make decisions based on that, as well as the website and the other information that's out there. So maybe, Ron, if you wanted to start with that.

Mr. Ron Sapsford: I'd be happy to. You're correct in your assumption: This is about accessibility. You've heard from my colleagues some of the issues surrounding access to surgical services. The points of access or the issues that have to be addressed are frankly not at the level of a surgeon but rather at the level of the institution. So how surgeons get access to operating rooms is a decision in the hands of the hospital, not an individual surgeon. The referrals to surgeons are done doctor to doctor; the access to surgery is a partnership between the surgeons of the hospital and the hospital in terms of allocation of time in the OR, numbers of days a week and so forth.

So as the ministry looks at where we focus our attention, the most success comes from focusing the attention and having the agreements and understandings and accountabilities not with individual surgeons but with the hospital itself. Then the hospital in its role of managing the resources of the hospital works out with its surgical staff questions of access to operating room time. For that reason, reporting an individual surgeon's wait list isn't necessarily going to tell you how that plays out at the level of the hospital. Our agreements are with the hospitals and there's an understanding in those agreements that issues of access and allocation of operating room time is an active discussion that goes on between the hospital and its medical staff.

I think the other important consideration is that one of the solutions that we've been looking at to begin to solve the question of access is the very point you've raised about individual physician referral mechanisms. Traditionally, you would go to your family practitioner: "Oh, you need to see a surgeon. Go see this surgeon or go and see that surgeon." It's handled by the physicians referring among themselves, quite independently of where those particular specialists practised.

We've been looking at options, rather than people gaining access to certain procedures physician to phy-

sician, simply making the referral to an institution or a program. Who actually performs the surgery is not as important as getting accessibility. In one particular new model that we're trying now at the Kensington unit here in Toronto for cataract surgery, patients are referred to that surgical facility and the surgeon who performs is based on who comes to the front of the line—the next surgeon in line, the patient and surgeon are matched up. Of course, if there are objections to that by an individual patient, those accommodations are made.

That kind of organizational model is more effective at bringing the patient to surgery much more quickly because you're not having to worry about which surgeon has access to how many rooms and on what day of the week. That's a second major reason that surgeon by surgeon, in our view, is less important than coming to agreements on accessibility with the organizations that are offering the services.

1050

Ms. Andrea Horwath: Thanks, Kevin?

Dr. Kevin Smith: Let me supplement what Ron has had to say. I totally agree with the issue of a systems capacity, that looking at referral to individual physicians perhaps is a model of the past. In the future, we really need to look at—we have capacity. How does one push as much volume as possible through that with high-quality outcomes?

The other is some perverse incentives in systems, and it would be the impact of long or short wait lists. Some academic literature has looked at this in the United States. Interestingly, patients have occasionally said, "I'm not sure I want to go to the physician with the shortest wait list. I think I want to go to the physician with the longest wait list," and perhaps incorrectly concluded from that that a wait list is equated with quality. It might simply be equated with time in practice or movement in the area or what have you. So again, there are some challenges around that.

The other is a bit of short-term impact based on measurements. We know the Hawthorne effect or other effects can have a short-term rebound when we start measuring things at units too small to have statistical significance. I suspect that is the case with most surgical procedures.

Lastly, in some more private sector endeavours than Ontario, thank goodness, we have an approach that would say, "I'm going to do things that are particularly quick to push through," as opposed to looking at a balanced contribution of everyone carrying some of the heavy work and some of the lighter work. So collectively, I think we've found, and our surgical teams have found, it's better that we should look at that.

What we can and should do as individual hospitals, I would say, is make sure that surgeons and surgical teams are provided that data, so that I could look and say, "Well, if everyone is around the mean but I'm way out here, maybe I want to understand that or at least have access to that data." There may be very good reasons for it. If I'm an orthopaedic surgeon, perhaps my wait list is

very long because I have a patient roster of "re-dos": people who've all had a hip before or are getting another hip. Maybe it's a very focused practice and it takes a long time to get to that super-specialist. But the data has often been unreliable; aggregate data has been much more helpful.

Ms. Andrea Horwath: Thanks very much. You raise an issue that I find curious in terms of the wait list strategy. One of the things that you mentioned was the way that patients might determine, "Gee, that one's got a short wait list; I don't want that guy because he's obviously not very good." But what is the mechanism for quality outcomes? How do you measure the outcomes of the quality of the surgeries that are being done in hospitals? Where is the feedback loop in terms of—there's the wait list strategy and those things are in place, but at what point are you measuring or looking at the quality of the procedures being done and the quality control mechanism? Is that something that's part of the information collection strategy that you have now? Is it something to be added in? Is there anything at all that feeds back the quality piece or the outcome piece of surgery?

Mr. Ron Sapsford: The wait list information system is an administrative process. It's about how to monitor patients through the surgical procedure and focused on how we improve accessibility. The questions of quality of surgery are an ongoing responsibility of public hospital boards through the Public Hospitals Act. We've developed the system with the assumption that the quality reviews and quality monitoring is an ongoing part of what hospitals do, and I know any one of these people could speak to that.

Ms. Andrea Horwath: And do those boards then report back to the LHIN or to the community in any way around those quality issues?

Dr. Kevin Smith: Many of us are now posting that information on our website. In Hamilton, our hospitals have put—we have balance score cards for each of our major programs and they're available on the website for whomever would like to look at them.

The Auditor General might comment on this one: Some people would say that we measure too many things in hospitals. There's an awful lot of data out there, but I would suggest that any area of drill down around aggregate quality outcomes is available. I think there is variation across hospitals about how easily accessible it is, but our industry is moving much more toward open access of information.

Mr. Tom Closson: Can I just add that this is something certainly the Ontario Hospital Association encourages its members to do, to be as transparent as possible, to post information on their websites in an understandable way, which is actually quite a challenge when you survey patients about their—how you put something in such a way that they can actually benefit from seeing it. We need to keep working on that.

Kevin mentioned the accreditation council earlier. All hospitals in Canada voluntarily are accredited once every three years. Now they're moving to a new process that

collects certain information on a continuous basis in terms of quality indicators in hospitals. Accreditation is one way of trying to take best practice around measurement within a hospital and share that information with the hospital board, and then ultimately with the community, and really trying to promote that in a standardized way across the system.

I don't know if you're really asking this, but at the individual surgeon level—because I would agree entirely with what Ron said about the importance of trying to focus on hospitals rather than individual surgeons for wait lists. If you look at the past, which we're trying to get away from, the surgeons were the only people who knew how long wait lists were. The hospital didn't know, the ministry didn't know; only the surgeon knew. We're trying to move to a process here which is more standardized and centralized and makes it better for patients so that they can see what's going on.

We want to encourage surgeons to share cases in a hospital. In the past, the old world was almost like market share: "That's my patient." We want them to share patients. We want them to work together. We have a good example over the history in Ontario of cardiac surgery, where cardiac surgeons have been very good at sharing their cases. But that hasn't been the case in all other kinds of surgery. So, we want to encourage it. I think that reporting information by hospital is a better way to make that happen so that we can get our minds around it.

On the issue of quality, it's really important in each hospital that they also measure the quality of the service; not just of the group, but also of the individual surgeons. Hospitals are divided into medical departments under the Public Hospitals Act. It's the responsibility of the head of each department—the head of surgery, the head of medicine, and the bigger hospitals break it down: neuro-surgery, general surgery, cardiac surgery etc.—to be doing those kinds of reviews of each individual and analyzing the data to see which individuals are having good outcomes, looking at infection rates, things like that, and making sure that where there are issues, those get addressed, some of which may be individual surgeon-related, some of which may be case-mix related, and trying to understand why they're getting different outcomes.

Hospitals are working on that. Again, the accreditation council really encourages that. Of course, the legislation—I forget the name of it—that was passed a couple of years ago, I guess while I was out in British Columbia—

Interjection: QCIPA.

Mr. Tom Closson: —QCIPA, which protects the discussion of this from litigation so that it's encouraging doctors to actually sit down and look at each other's cases and understand where there are quality problems and then deal with those quality problems, was really helpful legislation. They had that in British Columbia when I worked there in the late 1990s, and I know it really facilitated getting doctors involved in that kind of

dialogue without fear of litigation because there was discussion of outcomes. I think we're making real progress in that area, at the individual hospital level.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: I have two questions, and they're very general questions, just to help me understand this whole issue of wait times. In the auditor's report, between pages 206 and 208, is the following statement regarding pre-operative patient testing: The auditor's report also noted a significant variance in the rate of pre-operative electrocardiogram and chest X-rays among medically stable patients undergoing low-risk procedures in Ontario hospitals, despite clinical guidelines indicating patients usually do not even require an ECG.

So my general question is: What's the difference between a guideline for a hospital or a doctor to do something vis-à-vis a requirement to do it? I get the impression from reading that comment that some things that emanate from the ministry or whoever issues the guidelines are guidelines, but my question is: When is a guideline an imperative? What discretion is there if it's not an imperative? What is the discretion to follow or not follow the guideline, and how are those discretions exercised? It seems to me that's one of the aspects of whether things get done as we wish things to be done, via the issuance of guidelines.

1100

Mr. Ron Sapsford: Maybe I'll start with the general, and some of my colleagues may talk more specifically about in the hospital. The Ministry of Health does not practise medicine, physicians do, and so when there are questions about orders for diagnostic work or treatment orders, that is the exclusive domain of the physician. The regulation of the practice of medicine falls to the College of Physicians and Surgeons of Ontario, as I mentioned in my opening remarks.

However, anyone who is in a practice needs to practise according to the standards. So often over time, as different issues come up, guidelines are developed for use by clinicians to assist them in their actual practice. At no time would the ministry regulate, by fiat or by order, or dictate a particular medical practice or part thereof. These issues are usually handled, in hospital practice, by the medical staff of that individual institution through the work of their medical advisory committee. So every hospital is permitted, through their own bylaws for the medical staff, to establish rules that govern the practice of medicine in that particular hospital. I'm not so sure about this particular area, but in many areas of practice, based on their own review, their clinical opinion, the review of guidelines, medical advisories with the support of their board will establish rules of practice that govern these sorts of issues, which is to say, "In this hospital, this group of medical staff practise according to this rule." So they adopt it as their own practice standard for that particular institution.

When we talk about setting guidelines, it's really to draw to the attention of, initially, the hospital and then subsequently their medical staff that perhaps there needs

to be a more formal establishment of a rule or a rule of practice in that facility to remove the variation of every single physician independently making those judgments. These are the mechanisms generally that are used to establish best practice, and the PIDAC guideline we talked about for flash, for instance, comes from that specialty group. Then the decision to be made whether it is a rule or not is left to that organization. That's the general approach that is used for clinical guideline development and how they're brought into practice.

Mr. Tom Closson: At a hospital level, under the Public Hospitals Act, every hospital has a medical advisory committee, and the medical advisory committee can establish guidelines or rules for the medical staff that work in that organization. We have 157 hospital corporations in Ontario, so therefore we have 157 medical advisory committees.

The guidelines would be set out, and the medical advisory committee, working with hospital management, would have to work on what to do with them. If we take the example we're talking about here, these are not dangerous tests that are being done; these are resource-using tests. You're not going to die from having an EKG, and the amount of radiation from a single X-ray is pretty minor, so I don't think these are dangerous tests. If there was something that was a danger, the MAC would put a rule in place, or they'd make it pretty well impossible. Say it was a particular drug that shouldn't be used for certain conditions; that would be the rule, and the doctors wouldn't be able to order that drug for those kinds of conditions.

I'd say this is more a management-of-resource issue, and I think the MAC could ask, in each and every hospital, if they wanted to—and I think senior management needs to work this through with them—for what kind of conditions would you do these, or for what kinds of surgeries would you do—and patients, because it's sort of a mix of the surgery and the patient condition—these tests? Which ones wouldn't you do? Then that could be tracked and monitored, as to whether each of the surgeons was actually following it. It goes back to the surgical department head, as I mentioned before. If they see that certain surgeons aren't really following the rules, or the guidelines—because there's a little bit of discretion here, right? Patients aren't black and white; they're sort of grey in a lot of cases. So it's a doctor practice. They have to make a decision. But if they look out of whack in terms of how they're practising, then there would be some pressure put on them, I'm sure, by the head of surgery to get more in line.

Those sorts of processes need to be in place. In some hospitals, I expect they're more in place than they are in others.

Dr. Kevin Smith: There is a challenge in this area, though. Your question raises an important issue, and that is that there are times when the management of the system and the management of resources are not as well aligned as we might like them to be with clinical opinion—

Interjection.

Dr. Kevin Smith: Yes—and, frankly, clinical income.

One other vehicle that we have through the deputy minister's aegis is our negotiation with the Ontario Medical Association as the sole bargainer. We have evolved some new models, and in the case of this audit, I think we looked at areas where more approaches to group practice and more approaches to wait times reveal some questions about how appropriate or how useful some pre-operative screening might be. So in addition to, as Tom has mentioned, the MAC being able to comment on it from a quality perspective—and I'd agree completely with Tom that probably most of what we're talking about has no negative impact on quality—the challenge is, at times of shortages of docs, nurses and others, how does one push that pattern of practice in a way that, frankly, may not be to the economic advantage of the practitioner whose income is completely separate from that of hospital funding?

But I do believe that this audit has kicked open the door on those initiatives, has allowed us as hospitals and medical staff to talk to one another. I think it's another tremendous benefit of the exercise. It has allowed us also to talk with the ministry, as we embark on a new OMA negotiation, about how we work together to identify the best use of scarce resources.

Mr. Robert Devitt: I guess there's just one thing I'd add to Kevin's comments. We also have to acknowledge that there may well be at the local level factors or history that impact why a group of physicians at an MAC choose to exceed a guideline. So in the case of this one, where exceeding it has no negative quality consequences—and in fact one might argue it had positive ones, but it is a resource allocation decision—if a hospital has had a case at some point in the past where people regretted that they didn't do the tests and there was an outcome, that will create a different tolerance level in terms of the willingness to perhaps follow a guideline and not do these tests. One has to acknowledge that part of what a group of physicians at the local level decides is clearly shaped by literature and best practice, but part of it is also shaped by experience at the local level.

The Chair (Mr. Norman W. Sterling): Could I just ask a supplementary? How would this committee garner a better response to this issue? In other words, what would go down with the hospitals and the physicians in terms of making this a better resource-based function? The auditor has identified that in one hospital, in low-risk cases, it's 1% of the cases that they do it, and in another it's 98%. It's too wide a spread. I think that our committee would like to assist you and assist the deputy in trying to drive a more reasonable use of this diagnosis.

Dr. Kevin Smith: I'm sure we could all offer you observations. My personal observation would be that I really do believe the upcoming round of OMA negotiations offers an opportunity to look at how we're advancing the approach to practice in this regard; similarly—and I'll let the deputy minister comment on this—if there was perhaps some focus or working groups

through OHA and the ministry to look at whether there are some common approaches to areas of standardization.

Mr. Joe Pilon: There's another mechanism that hospitals have as well, and most MACs—I think all MACs—have a utilization review committee. That committee's responsibility is to look at the utilization of resources. This would probably not typically go to them because of the magnitude of the resources being used, but that avenue is there for hospitals to look at how physicians are utilizing the resources, and if this became a significant issue—there are probably other priorities they're dealing with—it would be appropriate to send it to that committee for review.

1110

Mr. Tom Closson: I think that's part of the challenge. In the broad scheme of things, this is small for a hospital in terms of its costs. How long it takes to get people out of the hospital or whether they come in in the first place are probably the two main ways to save money. But I think this is a management issue too. The fact that one hospital could be so different than another suggests to me that attention has been put to it in one hospital and not as much in another, and I think by highlighting it, it actually helps. As an association, I think we need to be showing those differences across the system.

I'll give you an example that is actually a lot bigger than this one. Back in the early 1990s—this might amaze you; it amazes me just how things have changed in the last 18 years. First of all, probably over 50% of surgery in the early 1990s was done on an in-patient basis; very little was done on an outpatient basis. But for those people who were being done on an in-patient basis, they would be admitted to the hospital for one, two or sometimes three days before they actually had their surgery, and the tests would all be done while they were in the hospital. So it's sort of related to this issue. Of course, I'm sure they did it on everybody back then too. By the end of the 1990s, we were doing the majority on an outpatient basis. Today, if you are going to have surgery and you're going to be admitted—we talked about cancellations. One of the reasons people get cancelled is because there are no beds. They don't admit you at all before you have the surgery. They have you come in early, you have the surgery, and then they put you in a bed, but they don't want to do the surgery until they're sure there's a bed for you to go into.

Just compare that to the way it was 18 years ago. It started maybe with one or two hospitals seeing that they could do that, and other hospitals looked at it. Of course, the cost pressures cause hospitals to really try and learn from each other. It's gradually spread that that's the standard of practice. Nobody would admit patients for multiple days before doing surgery anymore.

But it's useful that it was highlighted. It's something that as an association maybe we could be doing a little bit more in terms of highlighting among our members the variation that's occurring, and maybe they could work on it themselves.

The Chair (Mr. Norman W. Sterling): Mrs. Van Bommel.

Mrs. Maria Van Bommel: I have three rural hospitals in my riding, all three under 100 beds each—one actually with only 16 beds, so they are quite small. We talked about surgeons being able to move out and do surgeries for maybe one or two days in a smaller hospital, but you also mentioned the issue of staffing and the surgical team. Could the surgical team move with the surgeon for that day or two days or whatever that they do in the small hospital?

Dr. Kevin Smith: I could give you an example of where it's a challenge. If the surgical team moved on those days, then there wouldn't be a surgical team where they moved from. The challenge really comes back to capacity, as Deputy Minister Sapsford and Mr. Closson have said. In the old days, we used to make the assumption that there were nurses hanging on clotheslines, that you could just go out and pick a bunch and bring them in and do the work. That's a flawed assumption. We no longer live in a world of oversupply.

Secondly, I think there is some patient-safety literature around not simply putting together unlike teams in unfamiliar environments. But I don't think that's insurmountable, if the team did enough prep work. The real issue, I think, is that it may bring some service closer to home, but overall it won't expand system capacity. If you're operating in hospital A, you're not operating in hospital B. So I think therein lies the challenge.

Where there may be really unique opportunities, and Mr. Sapsford and his colleagues have championed this and advanced this, is looking at broader scopes of practice for other professionals. We're looking at physician assistant training programs, as an example, at McMaster; we're looking at extended rural nursing, anaesthesia extenders. So in addition to training more docs and nurses, we're also starting to say, "What other professions, supervised by regulated health professionals, could expand that capacity?" But of course, that will be a few years away because of a four- to five-year training cycle.

Mr. Robert Devitt: I'd also add to what Kevin said, because he's right: The literature on the challenges that putting teams in different physical settings creates points to some concern. The other one is being careful on the complexity of the surgery. The literature is clear that quality is affected not just by the frequency with which the surgeon and the OR team do the procedure, but the staff who care for the patient afterwards, if it's an in-patient surgery, is just as important. The more of that type of case they see, the better the quality, the better the outcomes. We've seen in a number of specialties over the last few years—vascular surgery, thoracic surgery—a real move to consolidate that work because the literature is clear that if you do a lot of it as an organization, not as a surgeon, outcomes are much better—survival rate, complications etc.

Mr. Tom Closson: You have to look at what kind of procedure it is. The example I was using is in north-western Ontario, where an orthopaedic surgeon is going

out and doing day-surgery cases in other centres with the staff. First of all, the cases aren't that complex, but secondly, they can follow up on people, they can do their clinics there. It's working quite well. I think so long as you are selective about what kind of cases you're talking about, it can work.

I think the creation of local health integration networks is a huge plus here because it will start, over time, making physicians feel that they don't serve just their patients at a hospital but they actually serve the population of a region. This will help in terms of on call—making sure there is access to doctors 24/7 in different communities and access to specialists. I think it could potentially enable some minor procedures to be done in the smaller community hospitals closer to where people live.

Dr. Kevin Smith: This is an opportunity for us to think about whether we need to do all the surgery we do at some of those sites. Just as an example of things we've applied in the province, in a lower-acuity site that perhaps doesn't have the same capacity for admission, what if one took all of the activity—in our community, we've done this with eye work—and centralized it in one place? It's actually not an in-patient facility; it's an ambulatory facility. Rather than seeing a surgical team go out to do the work of that individual hospital, might it be an option to group all of the activity of a particular discipline or specialty for that geographic region and see patients served in a very high-through-put model—a very good use of capital dollars as well.

Mrs. Maria Van Bommel: You also mentioned the issue of surgery beds and medical beds and the availability of those and that impact on wait times, with the possibility of having, say, a surgery in one centre and then repatriating the patient to a rural hospital. The questions are, is that done frequently; how does the funding follow the patient; is it worthwhile for the repatriating hospital to do that business?

Mr. Tom Closson: The idea of people convalescing back in their home community makes an awful lot of sense because that's where their relatives are, that's where their supports are. I was the CEO of the Capital Health Region in Victoria, and the idea of people having to go to Vancouver to get care—I didn't realize how big a deal this was. It's not just a big deal for the patient, it's a huge deal for the family, because they all have to go over to Vancouver, they have to take away time from their jobs, to be close with the family member. So the idea of convalescing close to home makes a lot of sense.

Hospitals each have their own budgets which are allocated—it was through the government; directly now, it's through the LHINs. Their budgets would relate to the volume of work they do and the level of efficiency they have. It would be our hope over time that we make that clearer and clearer. I don't think, from a funding point of view, there's any problem with what you've said. The money should be there if the workload is there, from a convalescent point of view.

The other thing is that now we have clinical telemedicine capability. Ontario probably has the biggest clinical telemedicine system in the world. It's world-class. It provides the capacity for the smaller hospital to be able to have two-way video with the surgeon who did the original procedure. Let's say it was orthopaedic: The patient could get up and walk and the surgeon could view their gait through the two-way video, so they wouldn't even need to go back to the surgeon for a follow-up visit. It could be done just by staying in their home community, which saves money. It means their life is less disrupted, and it's just great for everyone.

The OHA has a small, rural northern hospital group that's been working on strategies to better understand how we enhance and maintain the viability of health services in local communities.

1120

It's not just about hospitals; it's about family health teams, the hospital, nursing homes and home care. It's the whole package of services to try to ensure that people can get reasonable access to care in smaller communities. It's something we're working closely with the government on in terms of trying to understand what makes sense, and it's obviously differently for remote communities like Red Lake than it is for a small community like Lincoln, close to Hamilton. So we have to look at it in that way as well. Anyway, I can assure you that we're not forgetting the small communities and the importance of maintaining the viability of health services in them.

The Chair (Mr. Norman W. Sterling): I know Mr. Sousa has some questions, but we'll catch him on the next go-around.

Mr. Jerry J. Ouellette: Thank you for your presentation, Mr. Sapsford. On page 3 of your presentation you specifically state, "The Public Hospitals Act sets out the responsibilities for the hospital boards of directors and the medical advisory committee. The board is ultimately accountable for the quality of patient care provided to each hospital." As elected officials, I would say that at least in our ridings and with anyone I've come in contact with, in excess of 95% of the populace at large have no idea of the boards or their responsibilities. What onus is on the boards to deal with the public and what abilities do they have to deal with the public?

Mr. Ron Sapsford: The history of hospitals in this province—and it's a long history—has always been based on the notion of local voluntary governance. That's the way our hospital system started. In my experience in health care, there's a fierce loyalty, community by community by community, to their hospital. The history of funding, the investment in creating many of our hospitals started in communities, in local hospital groups, and then in latter times was funded and supported directly by the provincial government.

There's a clause in the legislation that says that the board is responsible for the quality of care and management of the hospital. As a ministry, we rely on that particular provision as being where the responsibility and accountability lies.

In my experience, hospitals are in most cases very engaged with their communities. From the perspective of fundraising, from the perspective of knowledge about services and programs, families are in contact with hospitals all the time simply because of the services they offer. That people are less aware of the board—I understand the point you're making, but I think over the years many hospitals have made greater efforts to speak to their communities more directly.

Could boards do more? Yes, I believe they could in terms of speaking about services and some of the issues they face, but also the success stories. Because in the public domain, oftentimes we're focused on what's wrong and what can be made better, and that's a legitimate exercise that we're all engaged in, but the success stories and the amount of successful care that goes on in Ontario's health care system every single day is frankly astounding.

Mr. Jerry J. Ouellette: Most of the time we hear about the complaints and the negative aspects within the health care system. As MPPs, we usually funnel them to the ministry, as opposed to going directly through a board.

Mr. Ron Sapsford: Yes.

Mr. Jerry J. Ouellette: Would they have any training or know how to handle the process if the complaint process were to be funnelled through a board? As elected officials, do we want to start having the board dealing with issues like that, that our offices normally account for?

Mr. Ron Sapsford: Every hospital I know has a process to handle complaints, be they from individual patients or families or from members of the general public. So if it's a very specific complaint about a hospital service or outcome, then I would encourage any member of the public to contact the hospital directly and to work with their local hospital.

Without satisfaction, there are other avenues, depending upon the nature of the complaint. If it's about the medical care or concern of the patient or family about the quality of the medical care, then my advice would be to begin to turn to things like the college of physicians, who govern the practice of medicine. If it's more of a system problem, then the administrator or chief executive officer of the hospital is there for that. If it's more of a coordination effort, then we have local health integration networks, another local source where people can raise concerns. So this is a system built not to rely only on the ministry to respond to every complaint—although we do our fair share—but also to encourage people to try to get satisfaction at their local level.

Mr. Jerry J. Ouellette: Ideas on structural changes to boards: I know that each of the disciplines that work in the college system have voting seats on the board. In the hospital system, I don't believe they have the ability, whether it's the nurses or whether it's the CUPE workers or the OPSEU workers, to have voting positions on that board. There's an internal complaints process, and there's an external one for patients. I hear regularly from a lot of

the individuals who work in the hospitals that they'd like to have a larger voice. What's your opinion about restructuring a board to account for that internal complaints process?

Mr. Ron Sapsford: You're talking about the composition of the board and participation?

Mr. Jerry J. Ouellette: Yes.

Mr. Ron Sapsford: The composition of the board is generally governed by the hospital's bylaws. In most standard bylaws, there's an exclusion that's usually written in that employees of the corporation are excluded from membership on the governing board of the hospital. In our system, most professionals who work in hospitals are employees of the hospital. The exceptional group is our physicians, who are not employees of the hospital board but are independent agents who are granted privileges to practise inside. The Public Hospitals Act specifies that members of the medical staff are full voting members of the hospital board—the president, the vice-president and the chief of the medical staff are generally the three. So, of the board, three are reserved for medical participation, to advise and assist the board in its decision-making. That's the general structure. Over time, there have been various models proposed, but at this moment in time, that's the current structure of hospital boards.

Dr. Kevin Smith: Just for clarity, few of us would encourage a model that the board be anything but skills-based. All of the literature on governance, be it hospitals or other endeavours, really looks to say these are very complex organizations—some would suggest some of our most complex social organizations—and governance is about quality of individuals comprehensively.

To the deputy minister's comments about complaints, I think another important endeavour is making sure the board focuses on governance, not on individual management issues. Most hospitals, I believe, have a very clear complaints process, and that would be rolled up aggregately as a governance issue to the board. But the board wouldn't deal with an individual complaint, nor, in my opinion, should it.

Mr. Tom Closson: I think we're coming at this from the perspective of quality. As Ron said, the board, in legislation, has the responsibility to ensure the quality of care; therefore, they have to have good mechanisms to be able to do that. Most hospital boards have quality committees, including board members and others, to receive information on indicators of quality within the organization. The issues related to how staff feel about working in the organization—whether it's a positive or negative experience—are often things that come up directly to the board as an indication of whether there are issues in the organization about how staff feel, whether they feel engaged or empowered working in the organization. The quality of care—not just medical care, but all aspects of care—is something that should be flowing through. I think the vast majority of boards do an extremely good job in ensuring that they do get good information on quality of care.

Mr. Jerry J. Ouellette: When I look at the presentations in here, we talk about the non-utilized time, where it's 12% in some cases and 60% in others. I know when we were on the college board, different perspectives were brought forward from the disciplines working there. So if it's suddenly 60%, and we're trying to do staffing, where we can staff the surgeons okay—the surgeons will be there, but the rest of the support staff are not there—the ability to sit down at the table and say, "This is part of our perspective on the problem and how we can come forward and assist on it." That might be one of the ways that the board can address certain things such as that—by having an inclusive area right at the board level. At the college level, we had that regularly come forward, where the teaching staff would say, "That's a great idea, but this is how it's going to impact us and this is how we would probably respond." It changed the dynamics on how it worked as a functioning operation.

1130

Mr. Tom Closson: Saying again what Kevin said, the modern literature about governance says that best practice is a skills-based board, not a representative board. We feel strongly that that's the direction we should be heading in: towards a totally skills-based board, having the right mix of skills and trying to make sure you get those people in place to perform their fiduciary responsibility to run a highly complex organization.

Having said that, you need to have the right inputs at the right level. If you're looking at how the operating room is run, for example, it's really important to have a good operating room management committee that has representatives from nursing, anaesthesia, surgery and others to look at the measurement of the performance of the operating room and to discuss how the operating room management processes can be improved. That's true in every aspect of running a hospital. It's so important—I'm agreeing with you—to make sure that the staff are there and involved in giving their views on how to make things work better, because they are the ones who will have to do it every day. They understand better than anyone else what the issues are.

Mr. Robert Devitt: Just adding to that in terms of what the literature and experience are telling us is best practice, if I use that example, you're absolutely right: We need to make sure that all our stakeholders have processes and forms where they can raise their concerns, raise their ideas and feel they've been effectively heard. It's not the board's role to actually do that. In a best-practice organization, the board demands of its leadership that that be done and they have regular reporting mechanisms to validate that it has been done. So what that might look like is regular reporting on staff satisfaction, and a requirement in proposals that come forward that there be a description of the consultative process that the hospital went through, not only with staff but perhaps with the community. That's how you get to outstanding governance, and that's what the literature says is the board's best role, because there are so many issues. If the board

started delving into many of these, the organization would get mired. There's just too much for it to do.

Mr. Jerry J. Ouellette: Also, to move on, in the presentation you speak on page 8 about the 82 hospitals throughout the province that are participating. Is there a reason that there's not full participation, and do you have a breakdown of the areas? Is it rural Ontario that's not participating? Is it northern Ontario? What are some of the reasons for that?

Mr. Ron Sapsford: The wait times strategy started with a federal-provincial agreement. The first ministers agreed to implement this strategy, and it was limited to the five procedures that I've talked about in the report. That was the initial target grouping: cancer, heart procedures, hip and knee replacement, cataract replacement, MRI and CT. When you look at the hospital population that is actually providing that range of surgery, it tends to cluster certainly in the academic centres and generally large community hospitals, which have full orthopaedic programs, cardiac programs and so forth. So, by definition, the number of hospitals that would participate was limited, frankly, by the federal-provincial agreement on where the initial focus was. That's the largest reason why all hospitals don't participate. It's the type and technical difficulty of the surgeries involved.

As far as distribution in the province, I can get the detailed information as to which are the 82. I can tell you that all local health integration networks have hospitals that are participating, so the coverage is north, south, east and west. There are some smaller centres that, for instance, do cataracts and are participating in that particular part of it. While they may not have cardiac surgery, they are getting some benefit in terms of improving accessibility.

The approach that was taken on this was that we also wanted to increase capacity. This was to pay additional amounts of money for additional amounts of surgery; it wasn't simply to give hospitals money and say, "Do your best." As Tom mentioned, this was a volume payment system. So over the course of the strategy, the ministry has spent almost an additional \$900 million to generate the extra cases that have been provided. But, because capacity was an issue, some hospitals did not have sufficient capacity to expand the volumes beyond their current capacities. For some of those reasons, certain hospitals decided not to participate, or they only had two surgeons who were available, they were at full capacity, and the notion that they could take on more volume was beyond the human resource capacity of the hospital.

It wasn't any single reason, but rather focusing on the five, who's available to do it, who has the capacity, or who can purchase more capacity with the additional revenues that were provided?

Mr. Jerry J. Ouellette: When you're dealing with wait times, is it possible that a single individual can be on more than one wait time list, and do you have any tracking to find out? So, one individual could apply for knee surgery in three different sites and now we have

three cases of one individual. Is there any tracking to determine if that's taking place and how broad it is?

Mr. Ron Sapsford: Yes. It's an excellent question because it assumes it didn't happen before, and we don't really have any direct evidence of that. I suppose it was possible to be on three surgeons' waiting lists, but because of the medical referral system, I tend to be doubtful of that. However, in the new system we've created it's not possible that you're on different lists because, as the names go in, patients are identified individually with their own characteristics. The way the system is set up is that we can identify individuals and where they're waiting. So that notion of waiting in three different places is trackable in the system that we have.

The Chair (Mr. Norman W. Sterling): Ms. Horwath.

Ms. Andrea Horwath: Thank you, Mr. Chair.

Could I just follow up on the previous question around the access to surgeries that are of the five priority areas? My question is around the extent to which all patients are equally able to access the five priority areas. For example, you spoke about the volume pay system and the extra \$900 million put into the system to pump up the volume. Sorry about the pun; I couldn't resist. But the issue then becomes, what about patients who are presenting with more complex medical situations—they need cataract surgery but they also have other complicating factors? Are they equally able to access the priority areas as someone who presents with fewer medical problems?

Mr. Ron Sapsford: Outside the five you're referring to now?

Ms. Andrea Horwath: Yes; they're needing cataract surgery, but they also have all kinds of other medical problems. Is it just as easy for them to access the services as others?

Mr. Ron Sapsford: Yes. If they're entered into the wait time system, they're not differentiated apart because they may have other problems. In terms of the clinical management of that particular patient, that might be an issue for the surgeon involved, or there may be multiple consultations, or it would require a different approach when the care is actually being provided. But those particular clinical issues for an individual patient would be monitored by the medical team involved. Unless there was an overriding medical reason why cataract surgery shouldn't be given—because you do have other problems and they're concerned about risk, and, as a result of that, surgery is deferred longer—that kind of clinical situation would not contribute to the length of time waiting.

Ms. Andrea Horwath: But is there not a disincentive built in, that the more complicated, difficult-to-serve patient or potential patient would be taking more of that surgery time, so therefore not as many of those surgeries will take place if the more complicated patient were to be seen?

Mr. Ron Sapsford: No. Those would be questions of medical judgment. Our system wouldn't discriminate:

"You've got three problems, so we're going to shunt you off to the side." It simply doesn't work that way.

Ms. Andrea Horwath: From the hospital's perspective, is—

Mr. Ron Sapsford: That would be the physician's judgment.

1140

Dr. Kevin Smith: It might actually be more advantageous, frankly, to the hospital, not necessarily to the surgeon, but when we look at the complexity of our patients and something in case-mix groups and a whole bunch of other mumbo jumbo, that would end up really saying sicker patients have a higher waiting time, and each hospital would be looked at relative to the complexity and waiting of its patients. So I think the nature of the system today wouldn't discriminate, although, as the deputy minister has said, if there were clinical indications—for example, if you had very unstable diabetes and it was unwise for you to go to a surgical situation—that obviously would factor in. But I don't believe we'd see complexity pushing a patient back.

Mr. Tom Closson: Some hospitals, of course, specialize in doing the more complex cases, particularly the major academic centres. They thrive on getting access to patients who are complicated because that's the business they're in.

The other thing I wanted to mention, though, about this was that for some of these procedures we have the priority rating system. So if their complexity sort of linked to whether they would fit into one of those priority levels, we'd be able to see by priority level whether the targets for wait times were being achieved for those kinds of cases. As you know, the higher the priority, the shorter the wait time target is, so in fact you could say it would be the reverse: They'd be more likely to get their care faster.

I think Ron indicated that by the spring or early summer, the intention is to start making information by priority level public. Ron also mentioned the Data Certification Council, and in my role as CEO of the Ontario Hospital Association, I'm one of the three people on the Data Certification Council. I know they're at the point right now of being able to show that information to the providers by priority ranking. The reason they want to show it to the providers first is a data quality issue. We want to make sure, before we show it to the public, that if the providers say there is something wrong with that data, it just doesn't look right—let's be assured that the data is high quality before it's posted for the public later this year.

Ms. Andrea Horwath: On that issue of the priority areas and the wait times that are supposed to be the benchmark, if you want to call it that, the auditor's report indicated that if the 10 months go by, there's no reassessment. So there's no closing of that loop where if the wait time has gone beyond what it's supposed to be, then there's supposed to be a reassessment of that patient, because theoretically, some of them could be moving up

the priority list based on the wait time. I guess that's not happening, or at least the auditor's report identifies that that hasn't been happening. How do we get that loop closed? I think the responsibility is at the hospital level, if I'm not mistaken, to have the physician or someone go back to that patient who's been waiting. I think there were some significant examples of waits that were quite surprising that were identified in the report. Can I get some understanding of how we fix that or how we make that a better system?

Mr. Ron Sapsford: Well, we took note of the observation, recommendation, and certainly the expectation that that reassessment will occur. That's part of the expectation. How you do it and how it's flagged was a question for the information system. I think that as we've gone on, those flags will come up in the system. As you've suggested, it's then the responsibility of the local team to ensure that the reassessment is done. So since the time of the audit, we've started to move forward to implement that particular part of it.

Ms. Andrea Horwath: Kevin?

Dr. Kevin Smith: All priority [*inaudible*] are reviewed when they wait longer than the benchmark as well, so all patients pop up on your list and you say, "Would we like to reallocate? Might we go back to other surgeons or other physicians involved in their care?" So there is a closing of the loop at the local level.

Ms. Andrea Horwath: Okay, thanks. Mr. Ouellette was talking about how the wait list system came into place. One of the things that I was interested in is the cost of the implementation of the system. I look at the operating and capital summary from the briefing books from the last budget cycle, and there are two parts on table 2 of that document, the second and third lines down, under operating and capital, "Health Policy and Research" and "Smart Systems and Knowledge Management." The increases are about 20% in each of those categories. Is that where the costs of these programs are being identified in the budget for the ministry?

Mr. Ron Sapsford: You're looking at the estimates from last year?

Ms. Andrea Horwath: Yes.

Mr. Ron Sapsford: Without seeing it, I can't be absolutely sure, but my sense is they're not included in those numbers. Smart Systems would be the external agency that is developing some of our networking. The costing would have been under something. The cost of the information systems would have been internal to the ministry's accounts, but I can certainly verify that for you.

Ms. Andrea Horwath: What would the cost be to the ministry thus far, all in, in terms of the implementation of the wait list system?

Mr. Ron Sapsford: The cost of the procedures alone, which were transferred to hospitals, as I said, is approaching \$900 million over the two or three years.

Ms. Andrea Horwath: I'm thinking more of the information system.

Mr. Ron Sapsford: I will get the exact numbers for you, but my memory would tell me we're probably in the neighbourhood of \$30 million, several tens of millions.

Ms. Andrea Horwath: Can I just ask one of the other—I'm just jumping all over, because I recognize that we're running out of time.

The Chair (Mr. Norman W. Sterling): No, we'll continue on. There are still questions that the Liberals and the Conservatives want to ask.

Ms. Andrea Horwath: Okay, that's great.

The issues that the auditor's report raised around the anaesthesiology teams and the inherent barriers that prevent or dissuade hospitals from adopting that model—I'm sure the ministry has seen the report and acknowledges that there's an issue there. My question would be, is the ministry looking at ways of changing that historical way of funding, or is this something that the LHIN is now charged with? Who's responsible for it, and is it possible to start on a new path when it comes to this kind of funding for the team approach that seems to be much more valuable in terms of getting the work done?

Mr. Ron Sapsford: The anaesthesia care team project is something that we're pursuing quite actively. There seem to be quite large benefits in spreading the expertise of anaesthesiologists across a broader group of people. Again, one of the key limiting factors in some hospitals for surgical procedures is anaesthesia—we don't have enough of them and so forth—so when you return to the question of access, this was a key point of which we had to undertake a review. There were extensive discussions with the Ontario Medical Association on the point, and after those discussions there was an agreement that we would start some demonstration projects around these care teams. Currently, we have nine hospitals—four of them are community hospitals; five of them are teaching hospitals—and seven local health integration networks that are involved in those demonstration teams. Currently, it's confined to cataract surgery. Two trained staff will operate, one in each, with a supervising anaesthesiologist. So we have one anaesthesiologist who's really supervising two operating rooms.

You can't just throw people into the rooms, so there was a training component which was developed with the Michener Institute. So people were trained and are now staffing these demonstration projects.

On the question of who pays: As Deputy Minister of Health, I say it will always be the Ministry of Health who pays.

Ms. Andrea Horwath: One way or another.

Mr. Ron Sapsford: Yes.

Who gets paid and how they get paid, I think, are some of the questions that the Auditor General was asked to reflect on when he was looking at these issues. That's part of the consideration of these demonstrations. Do we pay the hospital a lump amount for the project, managing it this way—and the more ORs you put in, the more clumping—or as we traditionally pay anaesthesiologists, on a fee-for-service basis through OHIP? Do we pay for the assistant's services as an adjunct to the anaes-

thesiologist's service, or do we pay it through the institution? This is part of the discussion in developing some policy around that. But we're relying on these demonstration models to give us the information that will inform that decision.

1150

Ms. Andrea Horwath: What's the timeline of these?

Mr. Ron Sapsford: I think it's some time during this year that we get the preliminary evaluation. They need to be up and running for a certain period of time before you can really do a thorough evaluation, but over the course of this year. I think they only started in November 2007, late fall 2007.

Ms. Andrea Horwath: Thanks. Kevin?

Dr. Kevin Smith: We are one of the sites and I have to comment that, although we wait for the evaluation proper, despite initial bumps and grinds that one expects—introducing a new profession, getting people used to a new team model, some degree of potential threat around income, to be frank—after those things moving to the side, which they did very quickly, we frankly would not be able to meet the demand in our wait times without this new model of anaesthesia care extenders.

It's been a remarkably good addition. It really worked well for clients; it's been very positive for the learners. In this model we've also adopted something that didn't take nurses away from nursing, but expanded the use of respiratory therapists so that we didn't compound an already great shortage, although there are many models out there and they're all good ones. But full marks by observation for this initiative on our experience.

Mr. Robert Devitt: I would echo that. We are also a demonstration site. The one other added value that this has, which I think is terrific, is it has really created a conversation among an entire care team—anaesthesia, ophthalmology, nursing, respiratory therapy. So we're really moving toward that integrated team approach to care, which is a better approach.

Ms. Andrea Horwath: Thanks. A big part of—from what I could read, anyway, through both the auditor's report and the follow-up summary, the implementation of the perioperative coaching site, the coaching teams—the site visits started in December 2005, I think, something like that, 2006.

Mr. Ron Sapsford: It was 2005; you're right.

Ms. Andrea Horwath: You mentioned in your remarks, actually, 2005-06. The winter of 2005-06 I think is what you said.

When I was reading some of the background material that legislative research provided for us, one of things that I wasn't sure about comes from a document that was published—the Trypuc, Hudson and MacLeod study. I don't know if you've seen that study. So there you go—you have seen it, or not? Yes?

Mr. Ron Sapsford: Undoubtedly, I've seen it.

Ms. Andrea Horwath: Okay. One of the things that they talk about in that study is the issue around the evaluation that comes afterwards. So the team goes in, issues are identified and implemented, and then at some point

there is an evaluation. I guess my question is, some of the initial ones that were undertaken—have the evaluations taken place and what has been found in terms of the value of the model coming full circle? It's lauded by yourself and others, and I think that's positive, but one of the issues is the extent to which the final evaluations have taken place. What I'm getting at is, are the results in? It's called the Pivotal Role of Critical Care and Surgical Efficiencies in Supporting Ontario's Wait Time Strategy.

Mr. Ron Sapsford: I don't know the answer to that question. I'll certainly find that out. I know that most of the energy at this point has been put into actually doing the coaching teams; I think there are 46 that have been done. I'll respond to the question more formally, unless there are others who know.

Ms. Andrea Horwath: Sure.

Mr. Joe Pilon: We've taken advantage of perioperative and critical care coaching. They've both been very valuable exercises. They help the organization look at what they're doing from an improvement perspective, and it's nice that they're funded. So it has been great for our organization.

Dr. Kevin Smith: We've also had a follow-up visit and I think that's a really important ingredient in this. All too often we do a study, we table the study and maybe some of the results of the study get implemented. We have had the care team come back, or leaders of the care team come back, and ask us what we have done and why we haven't done some of the things they recommended and done some reconciliation around them.

Ms. Andrea Horwath: Good. So the loop is closing.

Dr. Kevin Smith: The loop is closing in our example, absolutely.

Ms. Andrea Horwath: Excellent. So if I could get it, that would be helpful.

Mr. Ron Sapsford: I'll check and find out for you how many, so that you have a sense of—

Ms. Andrea Horwath: Yes, and how many are closing the loop. That would be helpful, because the documents indicate, and I think you mentioned it in your opening remarks as well, that the expectation is that this will cycle through all of the wait times strategy hospital sites by 2009. Is there a plan, then, to expand these kinds of teams to the rest of the hospitals in Ontario if it's found to be beneficial to these particular sites? Is that part of what the ministry's looking at? I don't necessarily see why the wait times strategy hospitals would be the only ones to benefit from these kinds of teams.

Mr. Ron Sapsford: It's an excellent question. As you can tell from the presentations and how we're managing this particular project, it's in a stepwise fashion. The primary goal was improving accessibility, to bring the wait times for these five areas of practice down to the goals. As has been said, I think we still have some work to do. The benefit of approaching it this way has led to the information system, the coaching teams, the efficiency work, now beginning to set actual operational

benchmarks and targets that hospitals will use in the future.

My view is, we're focused on completing the whole model to get the maximum benefit to improve accessibility—and then questions about how far out. Do we put this kind of a system into a 24-bed hospital that has several hundred surgical procedures a year? Honestly, I think not, because the benefit of extending this kind of a system isn't going to yield the improvements in accessibility that you would in a 500-bed hospital that's got a significant surgical load. There's a question of prudence here, I think, in terms of how far do you expand what in a sense is quite an expensive measurement system to get the kind of benefit that you would want. We haven't come to a decision about how far we expand it. Our first priority is to get the model fully operational, get the maximum benefit on the target hospitals, and then subsequently make decisions about the benefit of extending it further.

Mr. Charles Sousa: Thank you for all the good work you've done, especially given the limited resources, and the opportunity that you've taken to improve efficiencies.

I'd like to readdress the issues of overcrowding and surgery cancellations. In my riding—I'm in Mississauga, Peel region, more specifically in the south, where we have a very mature community with a rising seniors' population—the in-patient bed issue is becoming a problem. Notwithstanding some of the new build that's going on with some of our hospitals to alleviate some of those issues, there are concerns. We have taken on some ambulatory care centres that have been separated from the hospitals, and some others, I think, want to also do the same. It has improved the ability, especially for the outpatient issues.

My question, then, more specifically to the ministry, is, how do we plan to ensure that those surgery cancellations due to hospital overcrowding are kept at an absolute minimum?

Mr. Ron Sapsford: I think we've all talked about the issue of capacity. As has been acknowledged sometimes, capacity on the medical side of the hospital spills over into the surgical. Every hospital that I know manages in a way to keep those situations to an absolute minimum. The more common phenomenon is patients in emergency departments and the problems of alternate level of care, as Tom Closson has talked about.

The government has moved in several ways to address this particular issue. There were investments made in alternate level of care as part of the emergency strategy that was put forward last year. There were some adjustments community by community, but most of that additional revenue went to increasing home care services, to looking at alternate placement such as supportive housing. In a few communities, there were actual additional beds opened to accommodate the problem.

1200

The government has, as well, announced its aging-at-home strategy, which is a \$700-million program over the next three fiscal years, starting in April of this year.

Again, to begin to supplement resources at the local level, each of the LHINs in the province has been working on those plans over the past several months, and at the end of February are due to present them, working within envelopes of funding and making local decisions about where those resources should be applied. There's a timing issue here, I know, because the hospitals are under severe pressure right now, as would be the case in your particular riding.

So we started, early in the new year, an active discussion with local health integration networks as well as with the Ontario Hospital Association about some short-term things that could be done to begin to relieve the pressure as quickly as we can. Some of it deals with best practice questions. Some of it deals with how the hospital is managing its emergency room problem. Some of it deals with long-term-care homes. About the frequency, we did an analysis, for instance, on a LHIN basis. The rate of residents from long-term-care homes moving to hospitals varied at a level of five times. There was a five-time difference in the variance of referral to hospitals from long-term-care homes. Something is going on there, so we've had resources put at doing that kind of analysis. In some parts of the province there have been specialty nurses hired by hospitals, so that when a long-term-care home runs into a problem with a patient the nurse will go out and visit the home as opposed to sending the resident into the hospital.

So there are a number of initiatives that have been started across the province, and this recent discussion is to see whether we can come to a quick consensus about what specific interventions are needed in the near future. Given the resources that have been allocated by the government, we would then begin to map resources to relieve the pressure that has been identified.

I would hasten to add that this isn't a new problem. This is a problem that is a part of the health care system. As Tom said, it's an issue of balancing resources of acute hospital against long-term-care placement against home care, and having enough capacity in each of those areas, so that as patients move through the system you can move them relatively effectively. This is part of the mandate of local health integration networks. I know they're working on these issues as we speak so that new investments, as they come along, could be used to address those.

We're actively pursuing this. In fact, in some of the discussion there have been suggestions for some regulatory amendment in terms of the levels of care; other suggestions about, on a LHIN-by-LHIN basis, actually identifying specific groups of patients and getting clinicians together in teams to come up with specific care plans so that people aren't bouncing through the system but that there's a more effective plan of care to keep them stabilized in the community as opposed to constantly bouncing into the hospital and then having difficulty in finding placement when they're through their period of care. We're working on this quite diligently. I know the

OHA is engaged in that, and they may have some comments to add.

Mr. Joe Pilon: There's a surgical cancellation impact of not having any beds because of ALC. But there's also a limitation, and it's relatively small, I think, because hospitals are not booking surgeries when they don't have beds so they can't cancel them. But the other impact that ALC has is the inability for us to expand our hip and knee procedures because we don't have beds to open. When the ALC beds are resolved, it will allow hospitals to open more beds, which they can fill with the additional funding that the ministry provides for us.

It's particularly good that our LHIN has accepted accountability and has even made a commitment to reduce our ALC problems by 25% per year. That will allow us to open beds that have been previously occupied, to still run those beds, and therefore add more hip and knee procedures. I think we need to distinguish that we're not cancelling surgeries because we don't have beds, but we could do more surgeries if we had more beds.

Mr. Robert Devitt: Back to the comments made earlier when the ALC issue was raised, the bigger outcome of ALC patients is delays in the ER and admitted patients in the ER not getting up to a bed. Some hospitals have different tolerance levels or different capacities in their ER to carry extra patients, which may impact the quickness with which they may cancel electives as another option to create capacity. But the biggest impact—certainly in the east Toronto context, our ALC problem really shows up in terms of long, long waits in the ER. We've made it a point of policy to not cancel electives, because once you start down that slippery slope it becomes too easy to use that as your answer, as opposed to trying to find other workarounds.

Mr. Tom Closson: I'd like to just say a couple of words, as well.

The ALC problem has been a problem for a long time, but it's a growing problem, and it's becoming quite urgent, actually. A way of looking at this is, if you think of some stores, if you're lining up at the cash register and the line gets too long, they add another cash register, right? Then, when people come, the lineup doesn't just keep getting longer. If you only kept with the one cash register, the line would get longer and longer if people were coming in faster than they were going through the cash register. I think that's what's happening at the moment: People are coming in to hospital, particularly in medical beds, at a faster rate than we're able to get them out of the hospital. That's why the ALC problem in hospitals is growing. So we possibly need some changes in regulation that would enable people to get into various settings, whether it be home care, assisted living, retirement homes with supports, whatever it might be—ways of getting them out fairly quickly to be able to take the pressure off the system, because the data that we've been collecting is showing that it's an increasing problem.

Having said that, we're working really closely with the ministry—they understand how significant this issue is—and we're working closely with the local health

integration networks to try to come up with the best solutions that you could do in the short term. The aging-at-home strategy, the \$700 million over four years—it'll take a while to do some of those things. If a solution in a local community was to build another nursing home, you don't build a nursing home overnight. But if we can do something on the home care side to support people and divert them from going into nursing homes, that's terrific.

I'll give you a statistic. One of the heads of the community care access centres—these are the organizations that do the assessments to figure out whether people should go into home care or go into nursing homes—told me that they did an assessment of all the people who are in nursing homes in their particular LHIN, because now they have the same boundaries as the LHINs, and found that 25% of the people in the nursing homes didn't need nursing home care. They could have been cared for at home or in an assisted living environment. There are almost 80,000 nursing home beds in this province, so that's potentially 20,000 people, if I just do the math, who could be somewhere else.

Once people get into nursing homes, it's really hard to get them out because sometimes their home situations change—their homes are sold in a lot of cases—and there is the issue of, do they have the right home environment, with a spouse or family member to keep them supported there? But there are assisted living options, where people live in more congregate arrangements.

So I think the solutions are there. I think this is clearly a solvable problem, and I think if we all work together on it, we'll get it solved.

Mr. Phil McNeely: I first came here in 2003, and I think it was about a year later when the ICES report had the wait times across the province. I had one of my staff plot them up. Ottawa came out 14th out of 14 at that time on the wait times for about 12 or 14 procedures and 14 geographic areas in the province. But we've had a lot of good investments in Ottawa over the past three years. We just did a groundbreaking last Friday for the cancer treatment centre at the Queensway Carleton Hospital. In my own community of 100,000 people, we had an MRI come in in 2004. So these things really helped. I can see that as the wait time controls are going to come in and we have the facts for proper management, they're going to be getting better and better. You'll be covering more procedures in 2008; I see good work being done there. Are they going to be used across the province to make sure there's equity in delivery and availability of services? Will this be part of the wait time information as well, that you'll be looking to provide equity across the province?

1210

Mr. Ron Sapsford: Yes.

Mr. Phil McNeely: Could you speak more loudly? I'm having difficulty hearing you.

Mr. Ron Sapsford: Equitable access is, I suppose, the best way to describe the principle. So as the ministry has looked at how we allocate the resources that have been

provided across the province, ensuring that there's equitable access has been a constant challenge for us.

First of all, capacity is an issue. I know initially in Ottawa, capacity was an issue. We wanted to allocate resources to increase the caseloads, but the hospitals were unable to absorb the volumes. I think initially in Ottawa it was a question of anaesthesiologists, actually. But over time, people have worked through those issues and we try to allocate the money based on an equitable formula across the province, so that we have a hospital in every part of the province; the volumes that are allocated are done based on notions of differential waiting across the provinces, and sometimes a little more is provided in one category than another. So each year we monitor the results from the previous year, how much the wait time has gone down in terms of days, how many cases are still waiting, from the information system, and then make an allocation on that basis.

The Chair (Mr. Norman W. Sterling): Mr. Lalonde has one question for you.

Mr. Jean-Marc Lalonde: It's about waiting times in emergency rooms at the present time. I just came in not long ago, at about 11:30—but my question is: Does the ministry intend to do something to reduce the waiting time in emergency wards?

When I say "emergency ward"—at the present time the way it's working is that for family doctors we have clinics that anybody can go to. But if you're caught going to a clinic, the doctor is telling the patient, "You can't be my patient anymore because you stopped at the clinic." It's to the emergency you have to go for colds. Let's say you have a bruise at a hockey game; you cannot go to the clinic on the way up. In Orléans, for example, we have a good clinic: You could get even better service than the emergency sometimes.

For a good example, I happened to be told one night: "Jean-Marc, I hope you're going to reduce the health budget." I said, "How can we do that? At the present time, everybody's asking for more services in health care." He said: "Just go down to the emergency tonight." It was 8:15. I jumped in the car and went to the Ottawa General. There were 12 people waiting there, of whom six were from the same family. I went to the counter and asked, "You're not busy tonight?" and she said, "It's dead." I went to the Montfort: Four people, two from the same family. The nurse is eating an apple, watching the game on television. I've said it before: If you have a good program on television, you won't have anyone at the emergency. It's just to show you that a lot of people are going to the emergency who shouldn't be there. Those people who really need care at the emergency have to wait seven or eight hours. I had to wait nine hours myself one time, and the next time, just for curiosity, I sat there for seven hours.

The hospital administrators are saying, "Don't ever cut that; it's our bread and butter," because the people who are registering at the emergency, after a while, decide to leave. The hospital gets paid just the same, even though they haven't served the patient. So really, there is some-

thing to be done there to eliminate the waiting time and serve the people who are really in need at the emergency.

I just wonder if you people are planning to do something—first of all, that the doctors are not getting penalized because the patient happened to be stopping at the clinic, and secondly, something has to be done at the emergency.

Mr. Ron Sapsford: Thank you for your question. The short answer is, yes, we are looking quite aggressively at emergency departments. The government and my minister clearly have stated a goal to address the issue of emergency department waiting times and crowding, and the subsequent ALC question, as a matter of some priority. So we've started work on that now.

If I could say it to you this way, the work that we've done so far on the waiting list strategy—what are the issues, what are we trying to solve, how do we measure it, what investments do we make, how do we monitor it, the use of expert teams, coaching teams and internal reassessment—these are all the characteristics that we're intending to replicate, but now focused on emergency departments. It's an issue that the ministry has raised as well with the Ontario Medical Association. So some of the issues that you talk about—disincentives or incentives to use or not use emergency departments is one of the issues that we want to work on.

First of all, with the information system in emergency departments, we're not exactly starting from nothing. We do have the beginnings of an emergency department information system. It needs some upgrading, it needs some better definitions, but the measurement of the waiting times in emergency we are a bit further ahead on than we were for the surgical waiting lists.

We've also already established 14 physician leads in each of our LHIN areas who are expert in emergency services, and they are gathering together working teams at the level of the LHINs to begin to pull together ideas and plans and to start to identify the issues community by community, because they are different. Each community is slightly different in its ability to cope with emergency service and capacity issues.

There are a number of factors that affect emergency department utilization. With the one I hear you referring to, people who come to emergency with a sore throat, as an example, many hospitals now are streamlining those patient groups and dealing with them out of emergency room clinics, asking them to come back tomorrow for follow-up in primary care clinics. I know in the work we've done with family health teams, there's a requirement now for family health teams to provide expanded-hours coverage, so if people are linked up with family health teams, the notion that they are being told to go to hospital for a cold—maybe after we finish today you can take me aside and tell me who is telling you that. That's not consistent with the policy framework that we're trying to develop as we look at family health care and providing more of that service outside of the hospital.

The problem for the hospitals in emergency room crowding is not that group of patients who come and go,

who come in with a sore throat and leave; it's the people who need the services of the hospital and need to be admitted. This is the core group that we have to focus on in terms of the emergency department. So it very much depends upon what group of patients you are talking about, why they are there, what services they need from the hospital, if any, and then coming up with very specific strategies for each one of those issues and knitting them together as part of an overall plan.

That's the work the ministry has now embarked upon. We're moving forward with creating the working groups and the expert advice that we need from both hospitals and the physician community. Over the course of the next year, we'll begin the implementation work to address it.

1220

The Chair (Mr. Norman W. Sterling): Thank you very much. We're going to try to wrap this up in the next 20 to 30 minutes. I understand Mr. Hardeman has a few questions, and Ms. Horwath has some. I don't think there's any indication from the Liberal caucus that they have more, but if you do, we'll extend it.

Mr. Ernie Hardeman: I suppose the reason for being here is to review the auditor's report on the management and use of our surgical facilities. There are two areas of questioning I just want to cover very quickly. On page 226, there's an issue with the operation of the surgical facilities. It says: "For example, the best start-time-accuracy rate for the first case of the day was 95%, while the lowest rate was 17%. Similarly, start-time-accuracy rates for subsequent cases" ranged from 98% to 25%.

This is to the hospital people: If I was running a business and only 17% of the employees showed up on time, I wouldn't be in business long.

I just want to go a little further. On that same page, there's an issue of time of day of the operation of surgical rooms. It says here:

"(1) 'Planned use' is based on the number of hours operating rooms are staffed Monday to Friday," so we have all our staff there; and

"(2) 'Total availability' is based on the maximum number of hours operating rooms could be available if all of the hospital's operating rooms were used Monday to Friday."

From 8 a.m. till 11:59 a.m., the planned use is 85% and the total availability is 77%. From 5 p.m. till 8 p.m., we are staffed full-time for 82%, and we have 14% for actual use. What kind of a business are we running with our surgical rooms? That's where I think the auditor points out that we have a problem with delivering services with the money we're spending on operating the surgical rooms. What can be done to solve that problem?

Mr. Tom Closson: Maybe I can start off. One of the challenges always in hospital operating rooms historically has been getting them to start on time. You may think that sounds easy, but you have surgeons and you have anaesthesiologists, both of whom are not employees of the hospital, like in the example that you just gave—they have privileges under the Public Hospitals Act—

then you have your nursing staff. The challenge is to get all three of them into the room on time. And of course you have to get the patient into the room on time, so I guess there are four groups you have to deal with. It's almost like if one person doesn't come in on time, then other people say, "Well, why should I show up on time?" This is an issue of effective management of an operating room and making it clear that everybody shows up on time. I think that's why you'll see variation from one hospital to another. It's like I said to you before about the importance of good local management of the operating room resource. It's like a factory: You wouldn't start the machines at 10:30 when really the shift started at 9. But it's really important to focus.

As you get through the day—patients are all different. How long it takes to do a procedure is sometimes hard to predict. They predict how long they think it will take, but there is variation based on the condition of the patient, their weight, their condition when they open them up and have a look at the situation, the skill of the surgeon—there are all sorts of things that could impact on how long a procedure takes. So as the day goes on, it's actually a little bit harder to stay on schedule.

Then in the afternoon—I don't know how you could ever get that 14%; that's a little hard for me to fathom—if the workload is done, of course, the day ends. It may well be, let's say, that there were some cancellations. Maybe patients cancelled at the last minute. Sometimes patients get sick the day before. They get a cold, so they cancel; there's a reason why the case is cancelled. Then they may try to move up other cases, and it's hard to bring another patient in. It's not like you have them sitting over there waiting just in case they can get in that day for elective procedures.

It is a very complex environment. But the fact that one organization can do better than another suggests the value, I suppose, of having these peer teams that go out and look at the processes and see how the best practices in one hospital can be applied to another hospital.

Mr. Ernie Hardeman: I appreciate that and, really, the reason I bring it up is because I think that's the area where one has to look if you're trying to improve the efficient operation. I appreciate your explanation. What really bothered me as I read the numbers was that the actual rate of being on time, the spread between the starting and the finishing, is better as the day goes on. The lowest rate for the starting time is only 17%; the low for the day time is 27%. So in fact, the problem that I would see immediately is that as an operation takes longer, you have a tendency through the day to lose time. But starting time—there is no excuse for it except people didn't show up. So I would think management—

Mr. Tom Closson: And that's exactly what the issue is.

Mr. Ernie Hardeman: So I think management has a responsibility to find out why.

I had the privilege of serving on a hospital board and I know doctors get privileges, but the hospital board decides whether to give them or not.

Mr. Tom Closson: Exactly.

Mr. Ernie Hardeman: I think there needs to be some pressure put on so people show up for work.

Mr. Tom Closson: I agree with you. Again, this is something that can be solved and can be addressed in a hospital. There's no reason why you can't create an environment where there's that expectation.

Mr. Ernie Hardeman: The other question is somewhat in the same vein, and it's to the deputy minister. We're going back to the 13% or 18% of the beds that are occupied, depending on which report, by people who should be in other facilities. The government has made announcements in recent months or years about spending more and keeping people in their homes instead of long-term-care beds, taking them into homes. The question is two-fold. Obviously we've known this problem has existed for some time. How many more beds have been created in the last—since sitting on this side of the table—four years? How many new beds have been created and how many of the people that we're talking about could and should be cared for in their homes, as opposed to even the ones who are in beds now? As we're proceeding with putting more care in homes, on a percentage basis, how much of that problem could be solved by providing more care in the home?

Mr. Ron Sapsford: The precise numbers of beds I can't tell off the top of my head. I know in planning there are a few thousand more hospital beds that are associated with construction that's moving forward. In long-term care, I believe there were between 1,000 and 2,000 new beds moving forward as well. I think the basis of your question is right. I think where we want to put our next level of energy is in the home care environment, being the next expedient place to do that.

What percentage? You will get different estimates based on the level of care that we're prepared to support through the policy framework. So as I've said already, there are regulated limits to the number of hours of home care for an individual person, and we're now actively looking at whether we should increase that. Presumably, if you increase those hours of care, it would allow you to place more patients at home than would have been the case. We're actually doing that analysis right now. Local health integration networks have been looking at those questions as well in conjunction with their local CCACs.

I think apart from home care, the next area where there seems to be a growing consensus is this notion of supportive housing. It's something short of long-term care, where they need assisted living on a daily basis and a little more attention than is the case with home care, but less than a long-term-care facility where the care requirements are much higher. So that's another area that we're looking at and targeting for additional investment.

I know people tend to gravitate toward the question of how many more beds, but I think we've had experience in the province over the last 10 years where there were substantial increases in the capacity of beds, and here we are, not too many years later and we're essentially back in the same position. We're using this opportunity in

looking at alternative ways of providing services that keep people as independent as possible for as long as possible, while still at the same time respecting the quality of care and the quality of life that the individual people enjoy.

1230

Mr. Ernie Hardeman: And just on that, first of all, I want to be of assistance to you. I have a constituent who is in charge of a non-profit organization and is interested in building that supportive housing for seniors as opposed to long-term-care beds, so we'll be contacting your ministry to see if we can help you with that.

Mr. Ron Sapsford: Thank you, Mr. Hardeman.

Mr. Tom Closson: Can I just say one thing about supportive housing? The issue really is subsidy, because if you have money you can get access to assisted living in a housing environment very easily, but the challenge is subsidy. There are subsidies provided in some LHINs but not in others at the moment, and that's an area that needs to be really worked on to get some equity in and make it available, because a small subsidy can make a big difference in people's ability to actually get to live in those environments.

Mr. Ernie Hardeman: Thank you. I just wanted to go on to the program of more in-home care to keep people in that home longer and the present funding that has gone out with that. Is it going to be or is it directed to deal with some of the people who are presently in long-term-care beds and in hospitals, or is that more futuristic to just increase home care for future use and not needing more beds? Are we looking at trying to solve our wait time problems by actually bringing some of the people who are presently occupying the beds back home instead of just waiting for it to evolve in the future?

Mr. Ron Sapsford: Most of the additional resource is to increase the number of people receiving it, so identifying patients in hospital and providing service at home. It really is directed to resolving the waiting issue. One of the questions before us is, how restrictive do we become in that? In other words, a priority should be given to hospital patients coming out; similarly, with access to long-term-care homes. Do we focus the access to long-term-care-home beds in the short term to only those patients who are currently in ALC designation in an acute care hospital? These are some of the ideas that are being put forward, but you don't move in that particular direction. There's consequence to that, because if you restrict access to only hospital patients, then you end up with people who legitimately are living in the community and are at the point where they need higher levels of care. So we're going to have to look at that quite closely.

The newer idea that's coming is that, rather than simply taking more patients out of hospital and giving them home care, we also, at the same time, need to increase the amount of home care that's given to a single person, to take a new group of patients out of hospital and bring them home. We're looking also at that question. It's, yes, more patients but more intensive care provided at home,

and those two pieces are being looked at as part of the policy work that's going on now.

Just for clarity, since fiscal 2003 there have been 7,712 new long-term-care beds, and 2,412 new beds are under construction; those would be acute care beds. So those are the numbers.

The Chair (Mr. Norman W. Sterling): Ms. Horwath.

Ms. Andrea Horwath: I don't want to continue on the same issue over and over again, but an interesting fact was brought up by Mr. Closson about one particular CCAC identifying 25% of the people who are in long-term care maybe don't belong there and could be living at home with supports. I think that's the one thing we should keep our eye on in terms of where to go forward with providing supports.

Mr. Tom Closson: Right. Can I say, just so there's clarity on that, that they were looking at them from a physical and a cognitive perspective, but they probably didn't look at their home environment. So the question of, "Would there have been a home environment for them actually to go back to with a spouse or with a child?" is probably something they didn't do. But we're still talking 20,000. If even 10% of the 20,000 did have a home environment to go back to, that's 2,000. That's almost the same size as our ALC problem at the moment.

Ms. Andrea Horwath: Right, and it is kind of extrapolating the numbers. Does the ministry track any of this? Has the ministry asked CCACs to look at this issue at all? Is there any kind of more formal gathering of this information, or is it just by informal discussion that this comes up?

Mr. Ron Sapsford: Not on a province-wide basis. Their reassessment of patient care levels in long-term-care homes is done on an annual basis because that's factored into the funding methodology, as well.

Ms. Andrea Horwath: I was just curious.

One of the things that I don't know that we've actually touched on—there are actually two that I'm interested in—started to come up with Mr. Hardeman's questions around the utilization of operating rooms. I think what follows from that is the allocation of surgical time, and I'm not sure that we really explored that a great deal, in terms of the barriers to changing the way surgical time is allocated vis-à-vis the needs of the patients who are presenting. I wanted to get a little bit of a perspective on that issue, in terms of the historical method of allocation versus something that's more reflective of the needs of the patients coming to hospital. That was the one thing.

Next—and this is a different issue, but I figure I'll throw it on the table anyway—is the issue of tracking wait times from the point at which the surgeon is seen, as opposed to from the time at which the family physician refers. Is there any tracking of that time? Why wasn't that included as part of the wait times strategy? How variable is that? If the family physician of a patient in this city or that town or with this issue says, "Okay, you have to see a surgeon," and then, who knows, three months later the appointment is set up for surgery, that's when the clock

starts ticking. Why is that, and what do you think of changing that around and timing from the day the family physician says, "You need to see a surgeon"? How would that affect the numbers?

Mr. Tom Closson: I think I'm going to answer the first one, or at least take a stab at it, and Ron is going to answer the second one.

Surgeons are paid on a fee-for-service basis. They make their money working in the operating room, so the number of procedures and the complexity of the procedures is how they make a living. There's a shortage of surgeons. When a hospital has good surgeons, they like to hold on to their surgeons. It would be like if, in an organization, we started selling X as opposed to Y, and we said to the people who are on the Y side, "Well, you're now going to go from full-time to part-time." It's the same kind of thing: "We're going to cut your income in half because the demand for service has changed." With an employee it might be a little bit easier, in the sense that maybe you could retrain them. With a surgeon, it's often pretty difficult because they do a certain kind of surgery. So the real challenge is that if you're going to change surgeons' availability of time, you'd have to do it fairly gradually, and I suppose that if you were going to change it very much, they would look for another job. They'd just move on and go somewhere else.

In the best world, you'd say, "Well, we should be focusing totally on the patient and the patient demand." But you have to balance that off with being able to retain surgeons. This is how they get paid. Actually, it's not a bad way to pay them, because they're being paid for the volume of work that they do, and that provides an incentive for them to want to do more work.

Ms. Andrea Horwath: But if it's that closed of a shop in terms of access to surgery, then how do you recruit new surgeons?

Mr. Tom Closson: This is a challenge in hospitals. I wouldn't call it a closed shop. It does relate, as well, to how much money the hospital has to provide the nurses and the instruments and everything else to support the surgeons in doing their work. It's been a huge benefit, obviously, with this increasing volume. If you aren't increasing the volume of surgery in a particular hospital, and a surgeon is getting older and older and older and you know they're going to be leaving in a year but they still want their OR time, the challenge is how to make room for the new surgeon coming in. It's a real juggling act.

Fortunately, for the moment at least, because we have the increasing volume, it actually makes it a little bit easier to create some space, which is paid for—it's volume-funded—for new surgeons to come in. But this is something that hospital management and the surgeons in every organization have to work through. I'd say it's a little bit of an easier thing to deal with in large organizations, but in smaller organizations it's a particularly difficult challenge. I think we're dealing with the patients and their needs, though, through the wait times strategy. We're trying to identify how long they're having to wait;

we're trying to give them that information. Obviously, we do need to bear in mind what the patient needs are in a particular committee in terms of recruitment of new surgeons. Sometimes surgeons leave on their own, and you can say, "Okay, we don't need to replace that surgeon. Let's recruit a different kind of surgeon for the needs that we have." That is sort of the conceptual model that we have to work within in trying to retain surgeons.

1240

Dr. Kevin Smith: Most of us, Andrea, use history but also priority, and I think wait time funding has also allowed us to look at not only priority of all surgical cases, but priority of wait time. So the push forward has been getting surgical colleagues or perioperative programs to look collectively at all patient populations and then prioritize those. But unquestionably, wait time volume has dramatically expanded capacity, and the majority of hospitals have ensured that it truly created new volume—didn't scale back on other things, but actually created new volume.

I would suggest the greater challenge at the moment is finding adequate staff rather than adequate surgical time, more money. I know the deputy minister is always grateful when we tell him it isn't about money. So the outcome really is, do we have enough nurses and docs? These are long-training professionals. To complete a surgical rotation or surgical training is five postgraduate years, often, plus fellowship, so six years beyond medical school.

Mr. Robert Devitt: And can we guarantee that volume over the long term so we can actually attract the doctor to stay for the long term, rather than knowing they've only got it for a year?

Interjection.

Mr. Ron Sapsford: Yes. We call it wait time one, I think. You have to watch the patient move through the system, so the first contact is generally the family physician, then a referral, the wait for that visit, the assessment by the specialist, a decision, maybe some diagnostic tests, a decision then for surgery, then book the case—wait, wait, wait. The wait times strategy has been focused on that second point. From the point where the surgeon decides, yes, surgery is to be performed, how long does it take to get access to surgical facilities? That approach was taken mostly for reasons that I've talked about before this morning, focusing on the capacity of the hospital, making sure that the hospital system itself is able to respond to the increasing volumes that would be necessary to reduce the wait times.

The creation of the information system in and of itself has been quite a monumental undertaking, and when you look at the first wait time, because physicians are an independent practice, how do we intervene in a way to reduce that wait time? It's easier, frankly, for the ministry to work with hospitals than it would be with 7,000 or 8,000 specialists in how they manage their office and to get into the detail of, "Why does it take so long?" I think it's ironic in a sense because, particularly for surgeons, we want them in the operating room, operating. That's

where we need them to reduce the waiting lists, which leaves them perhaps sometimes less time to be in their office seeing the patients who are being referred. So even when you start to look at wait time one, there is a constellation of reasons that are going to contribute to that length of waiting time.

However, it has not been forgotten about, and the Toronto Central LHIN is currently doing a pilot project looking specifically at the wait times for hip and knee patients, the length of time it takes to get from family physician to that decision for surgery. I think I mentioned earlier the model that's being used here in Toronto for cataracts, where the referral is to the centre and not to a physician—actually, in Hamilton, I think, too, with the hip and joint replacement program. Now the initial referrals are not picked up by the specialist but by other staff to begin the assessment process, quite independent of the surgeon, and then the surgeon is brought in at the end to make the final decision.

So again, there are other models that we are beginning to experiment with that will help to reduce that time one by creating different access points for patients to get that initial assessment—is surgery needed or not?—and then to move them in a more streamlined way through the system. The results of this project in Toronto Central will be finished sometime this year.

Ms. Andrea Horwath: Thanks very much.

The Chair (Mr. Norman W. Sterling): Thank you very much. The auditor asked to say a few words.

Mr. Jim McCarter: Yes. Something I said in camera I wanted to say publicly. We had excellent co-operation from the three hospitals, so I would like to thank you, Rob, Kevin and Joe, for the co-operation. We talked to a number of surgeons, anaesthesiologists and nursing staff. I think the tone for that co-operation is set at the top, so thanks very much.

The Chair (Mr. Norman W. Sterling): And thank you all on behalf of the committee, particularly you, Joe, coming from the far north. It's probably a lot warmer down here, though.

As the delegation is moving out, what I suggest we do is, I've ordered some sandwiches, which are down in committee room 1. I suggest we adjourn for approximately 25 minutes, till a quarter after 1. Then we will have Hansard return and we will deal with Ms. Horwath's motion at that time. I think you can bring your sandwiches back here if that's your desire. After that, we will try to instruct the researcher as to the direction she might take in preparing the report for the committee while it's still fresh in our minds.

We'll reconvene at a quarter past 1.

The committee recessed from 1248 to 1319.

The Chair (Mr. Norman W. Sterling): Okay. I call the meeting to order. Ms. Horwath, you have a motion?

Ms. Andrea Horwath: Yes, I do, Mr. Chairman. Thank you very much. What I'll do is first give you a little bit of perspective on why I'm bringing the motion forward—or do you want me to just move it?

The Chair (Mr. Norman W. Sterling): I think you should move the motion first.

Ms. Andrea Horwath: Okay, then I'll start by moving the motion, which should be in front of everyone, I believe, thanks to Katch.

I move that the public accounts committee recommends that the Provincial Auditor conduct an investigation into all aspects of the North Bay Regional Health Centre expansion project, and in particular:

(1) Carefully assess the inputs into the assessment that the NBRHC project demonstrates projected value-for-money savings of \$56.7 million (or 8.7%) under the AFP approach compared to the traditional approach; and

(2) Examine those aspects of the North Bay General Hospital contract with Plenary Health-North Bay that determine the employment relationships of various medical and non-medical hospital personnel with the two corporate entities, as well as those penalties and incentives related to the performance of contracted obligations by the two entities.

If I could speak to it, Mr. Chairman?

The Chair (Mr. Norman W. Sterling): Yes.

Ms. Andrea Horwath: The motion arises as a result of significant concerns that we have about the lack of transparency of the new financing model that the government is using for a number of hospital projects. In an attempt to try to understand with some clarity the assumptions underlying that model, we have been attempting to obtain information that would help us understand where some of the government's assertions come from.

Unfortunately, we are getting nowhere fast when it comes to that kind of information, and we have ended up in a situation where in order to try to understand the details behind the model, we've asked for financial documents, and we've basically received documents that look like this. These are the kinds of documents we're receiving back. They have no numbers on them whatsoever. The government's model speaks particularly to this idea of risk and the extent to which the mitigation of risk makes their model valuable or in some way money-saving. Unfortunately, there's no evidence at all, no indication at all, because the documents showing that these assumptions are based on any fact are kept under wraps. We simply can't get the facts to back up the government's assertion. When we have some 30 projects on the drawing board that the government's putting forward, with the intent of funding these projects through this model, it raises considerable concerns for us.

I know that we'll hear from the Auditor General in regard to the project that has been in the news, which is the Brampton hospital, but we all know that that was funded under a different model. That was not the same financing model that is being used to fund the hospital that I'm referring to. I think it's incumbent upon this committee to ask the questions that need to be asked to have the auditor review these assumptions.

The Infrastructure Ontario website says that there has been a PricewaterhouseCoopers assessment. But take a look at that assessment. In fact, PricewaterhouseCoopers

has a little paragraph at the bottom of their documentation that says, "We did not audit or attempt to independently verify the accuracy or completeness of the information or assumptions underlying the PSC which were provided by Infrastructure Ontario"—so the very figures that were provided for Infrastructure Ontario have not in any way been given rigorous review or any kind of assessment—"and/or the successful proponent's final offer." The government is hanging its hat on this idea that PricewaterhouseCoopers has provided a value-for-money assessment where they actually have not, where actually they are distancing themselves from taking any responsibility for the efficacy of the numbers that are in this model. The burden of proof is still wanting. There's no evidence whatsoever that indicates that the \$56.7 million in savings actually exists, so the idea of this motion is to say, "We have these 30 projects on the drawing board, apparently, that are going to be funded under this model." We know that the auditor's looking at the previous model that resulted in the Brampton cost overruns, if you want to call them that, and I think that's an excellent initiative that's being undertaken, but really, isn't it incumbent upon us as a committee to identify these issues of accountability and of transparency that the government likes to talk about but we really have the responsibility of getting to the meat of? And I think that the only one that can really get to the meat of these issues, quite frankly, is the Auditor General, and so I put this motion forward because I really hope that members of the committee see our important role in terms of the accountability of the financial model that the government's going forward with on so many projects in the health care sector here in the province.

It's a huge, huge contract that we're talking about in North Bay, but it's one small piece of an even broader number of projects. I think, because this one has gotten to the point that it has, it's not about what the actual costs are at the end of the day, once construction is complete. It's about the assumptions that are built into the model, that we simply cannot get independent verification that those assumptions are actually true or based on any kinds of facts.

The government wants to say this model is about risk. Well, that's fine, but give us the numbers on which you're basing that analysis. Unfortunately, those numbers aren't coming forward, and so really the whole house of cards falls down in terms of the accountability of this model and the efficacy of it. At this point I would just ask the members of committee to seriously consider the extent to which we have an obligation to ask the Auditor General to look at this model and to provide a report back, whether it's in the context of the work he's already doing in Brampton or whether it's simply independent. The bottom line is that there's absolutely no access or availability to any of the key financial information that should be made public in regards to the financing of the North Bay hospital project.

The other issue, of course, is the extent to which the costs over time are being used for things other than the

provision of health care. We all know that's a different issue. New Democrats believe that we need to be spending those dollars on actual health care and not on private financing.

Again, what we're really focusing on in this motion is the fact that the financial model being used by the government needs to have some review, and it's not a matter of waiting until the construction's complete because we already know that contracts have been signed, the model has been ingrained, and the government's moving forward on this project and many others. Now is the time to make sure that all of the assumptions and all of the pieces that are identified as the risk factors that generate the savings actually exist, and they exist in a way that can be verified by the auditor. That's my motion and the reason for it. Thank you.

The Chair (Mr. Norman W. Sterling): Discussion?

Mr. Ernie Hardeman: I will be supporting this resolution, for slightly different reasons than the mover of the motion. I think it's important to recognize the chain of events. In 2003, the present government said that they would not be building any P3 partnerships if they were elected. Then, when the first one came along, they said, "Well, we have changed it, so what we're doing we call alternative financing and procurement." AFP I think is the right acronym. My concern is that the change, they said, was a major change in the package that they were going to have on hospital funding and hospital building now but no one has explained what the difference is, except that I was told that under a P3 arrangement, in simple terms, it was called a lease with ownership at the end of the lease, that at the end of a long-term lease the public would own the hospital. The government said, "What we're changing is, it's not a lease, it's a mortgage. The public will own the building the day it's built and we will pay it over that period of 30 years and then it will become a fully owned public institution again."

1330

But I'm concerned, and I share this concern with the New Democrats, that they changed more than that, that they changed the fact that the liability, the cost overruns—the problems that we've had in building hospitals for years in Ontario is that we price it at one price and we end up paying a whole different price when the building goes up. As an example, the last fully funded public hospital built in Great Britain was 42% over budget when it was finished. The hospital identical to that, a few hundred kilometres up the street, was the first public-private partnership one that was built. They opened in the same month, one at 42% over and two years past its due date; the public-private partnership one opened on time, on budget.

The only reason I mention that is the way the P3 contract was written was that if they didn't meet their obligations, it was a penalty to the people who were building it, not to the public which was going to use it. I'm not sure that the contracts and the way the government has changed them does that. No one seems to be willing to stand up and give us the information to make

sure that all cost overruns—that the end result is a signed deal, a committed price of how much per year the government will pay to the consortium that now owns—or has built the hospital. I was going to say "owns the hospital." In fact, they do. If you have a 30-year mortgage, the mortgage holder still owns it until it's paid for. I mean, we can call it what we like, but it's the same deal. So if that didn't change, I have real concerns that in order to get the letters changed they gave up the security of no cost overruns. I think it's appropriate that we as a committee ask for that to be looked into, to make sure that the public is protected.

Having said that, I disagree with the mover of the motion that this is the appropriate time to do it. I have real concerns about trying to do a value-for-money audit on the building and operation of a building when only the footings have yet been poured. There's a lot going to happen. My concern in this contract, as I mentioned, is cost overruns. Those cost overruns haven't yet happened. So I would hate to see a report coming back from our Auditor General stating, "With what I could see, everything seems to be going okay." My only concern was the cost overruns, and they wouldn't be there yet.

I will be supporting the motion, but I would hope that maybe we could get some comments from our Auditor General about the timing of the actual investigation and the audit that he does on this particular contract, I think to deal with his workload but, more importantly, to deal with the project being in such a state that we could actually tell the cost benefits and the approach.

At the end of it, I'm not as skeptical or as concerned about the end result as the mover of the motion. I think a public-private partnership properly done is a good thing. I want to make sure that this is properly done. That's why I support the motion.

Maybe, if I could, Mr. Chairman, ask the Auditor General whether he could speak a little bit to the timing and when would be the most cost-effective and appropriate time to do the audit.

The Chair (Mr. Norman W. Sterling): Perhaps I should give Mr. Zimmer the opportunity to speak before that, or would you prefer the Auditor General to speak?

Mr. David Zimmer: I'll make my remarks now, thank you.

The Chair (Mr. Norman W. Sterling): Later or now?

Mr. David Zimmer: Now.

The Chair (Mr. Norman W. Sterling): Okay, go ahead.

Mr. David Zimmer: Thank you very much.

I just want to pick up on part two of Mr. Hardeman's remarks, where essentially what he is saying is that he agrees that to do a value-for-money audit on this hospital in North Bay is in effect premature. The Auditor General has already committed—he made this commitment on February 11, as reported in the *Toronto Sun*. I'm quoting from the Tuesday, February 12, 2008, *Toronto Sun* article, among other things:

"Auditor General Jim McCarter told the Sun yesterday a value-for-money audit of Ontario's first public-private partnership hospital—or P3 hospital—will be part of his annual report at the end of this year," that is, 2008.

"We are primarily looking at the Brampton deal because it was one of the first ones out of the box," McCarter said."

That story was picked up by the North Bay Nugget on Wednesday, February 13, 2008. The North Bay Nugget says: "Jim McCarter tells the Toronto Sun a value-for-money audit of Ontario's first public-private partnership hospital will be part of his annual report at the end of this year."

Mr. Chair, I think that what we should do is allow the Auditor General to get on with the task that he's undertaken in reviewing the first P3 partnership hospital in the context of the Brampton model, and we'll see what information comes forth as a result of that analysis. As Mr. Hardeman has said, the hospital in North Bay has just got the cement foundations in. So in our view, it's not necessary. We should see what the Auditor General is going to do with the task that he's already undertaken and committed to doing before the end of the year, and for those reasons, we are unable to support this motion brought by Ms. Horwath.

The Chair (Mr. Norman W. Sterling): In fairness to the mover of the motion, Mr. McCarter can't really enter into the debate on the motion. If there were points of clarification, that would be fine, but I don't know whether what he would say would colour the debate, and that isn't perhaps fair in terms of either side. We know, as Mr. Zimmer said, he is undertaking a value-for-money audit in Brampton. Perhaps, with permission of all members of the committee, he could make comment with regard to that. What is your desire?

Ms. Andrea Horwath: Certainly, Mr. Chair. There are a couple questions of clarification that perhaps could be asked to help get through the discussion, if that would be helpful.

The Chair (Mr. Norman W. Sterling): Sorry?

Ms. Andrea Horwath: I said that there are probably some questions that we could ask the auditor that would help with the discussion, if that's useful.

Mr. David Zimmer: If I may, just before we get into that, the Auditor General has undertaken a value-for-money audit at a hospital in the Brampton area. This motion asks that he undertake a second or further value-for-money audit on a hospital that is yet to be built and up and running. I think for this committee to ask questions of the Auditor General about a project that he is about to undertake—the P3 audit in the Brampton hospital, which he will do and has to do and is required to do. It's an independent audit without influence, if you will, from this committee. To ask the Auditor General questions about how he would approach—I don't know what the questions are, but to get him involved in a question-and-answer exchange about an audit that he's already undertaken and other potential audits that he may

do, is compromising the independence of the Auditor General.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman.

Mr. Ernie Hardeman: I appreciate the comment about not putting the Auditor General in a compromising position on an audit he's presently been instructed or asked to do. I would point out that the Auditor General is a man of great substance, and if the question is inappropriate to answer, I'm sure that he would say, "No thank you, that's not something I want to talk about," or "That's not something I want to answer." I have every confidence that he would do that.

I don't see any reason why it would be inappropriate as we're discussing this motion, since we have an arm's length, independent auditor here who does auditing and does this type of work, to help us understand the principles that we're talking about in this motion. If I might, Mr. Chair—and you can rule the question out of order—I would like to demonstrate my position by just asking the auditor what is the most appropriate time to audit a project and a value-for-money audit.

1340

The Chair (Mr. Norman W. Sterling): No. Then you're asking him to basically rule whether this is a premature motion or not. I think that's probably the thing that I would want to avoid more than anything else because that's one of the arguments that is put forward in this debate.

I think the committee should wind up its discussion amongst the members and we should vote on the motion as put.

Ms. Andrea Horwath: I just want to make one last comment before the vote is taken. That is, if you read the motion carefully, the motion asks specifically for the auditor to conduct an investigation into the aspects of the North Bay Regional Hospital Centre expansion project to assess the inputs into the assessment that the North Bay Regional Hospital Centre project demonstrates projected value-for-money savings.

Again, I'm not saying this is a value-for-money audit of the project at the end of the day, but what we're saying is that there needs to be an independent look at the assumptions of the model that's being used. Unfortunately, there is no independent review of that, notwithstanding the fact that the government claims there is. Even PricewaterhouseCoopers, the people that they are saying have done that, haven't actually done that. They say quite clearly, "We haven't done that." So we're going forward with this model where the people of Ontario, let alone the people around this table and the people who are responsible, are blindfolded in terms of what is supposed to be happening here. I think it is totally inappropriate and wrong for us to simply go blindly forward on a model where there is no evidence whatsoever as to—and there's no access to the evidence, which is why we're asking the auditor to investigate those pieces of the model that we can't seem to get any information on.

So it's a not an actual end-of-the-day, value-for-money audit. How could it be? As people have mentioned, the project is not done. But we'd like the Auditor General to investigate what the assumptions of this model are, because we cannot get that information, and it's so important, particularly when this is the exact model that the government is going to be using over the next several years on multibillions of dollars of projects.

It's our responsibility. It's incumbent upon us. It's incumbent upon the government, I would say, to make that information public. If it's not public, then it is the public accounts committee, I would say, that has a role to play in asking the Auditor General, as a third party totally at arm's length and independent, to have that review. Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer?

Mr. David Zimmer: With the greatest respect to my colleague opposite, you confuse the function of an auditor. An auditor's role, broadly speaking, is to determine how money has been spent. It's from a historical perspective. It's not an audit of a plan that's about to unfold in the future. We have no idea of the various contingencies that might arise in the future, so it's impossible for the auditor to get in and have a look at things that haven't happened yet. An audit is, essentially, a historical review of what's gone on in a financial exercise.

The Chair (Mr. Norman W. Sterling): Further discussion?

Ms. Andrea Horwath: Just on that point, the reality is that the contracts have been let. There is an historic thing that has happened, which is that the model has been approved for use and the contracts flowing from that have been let. The project is under construction. So I would disagree that this is something that doesn't have

any historical context to be looked at. I actually believe it does.

The Chair (Mr. Norman W. Sterling): Just before we have the vote, I will say, as the Chair of this committee for some period of time, that notwithstanding the fact that we don't normally direct the Auditor General—we have on one instance in my recent memory over the last four years—the Auditor General does listen to what members of this committee say or don't say. His freedom to do whatever he wants to do in terms of what he investigates going forward is entirely within his decision to do so.

Having said that, all those in favour of the motion put forward—

Ms. Andrea Horwath: Can I ask for a recorded vote, Mr. Chairman?

The Chair (Mr. Norman W. Sterling): Yes.

Ayes

Hardeman, Horwath, Ouellette.

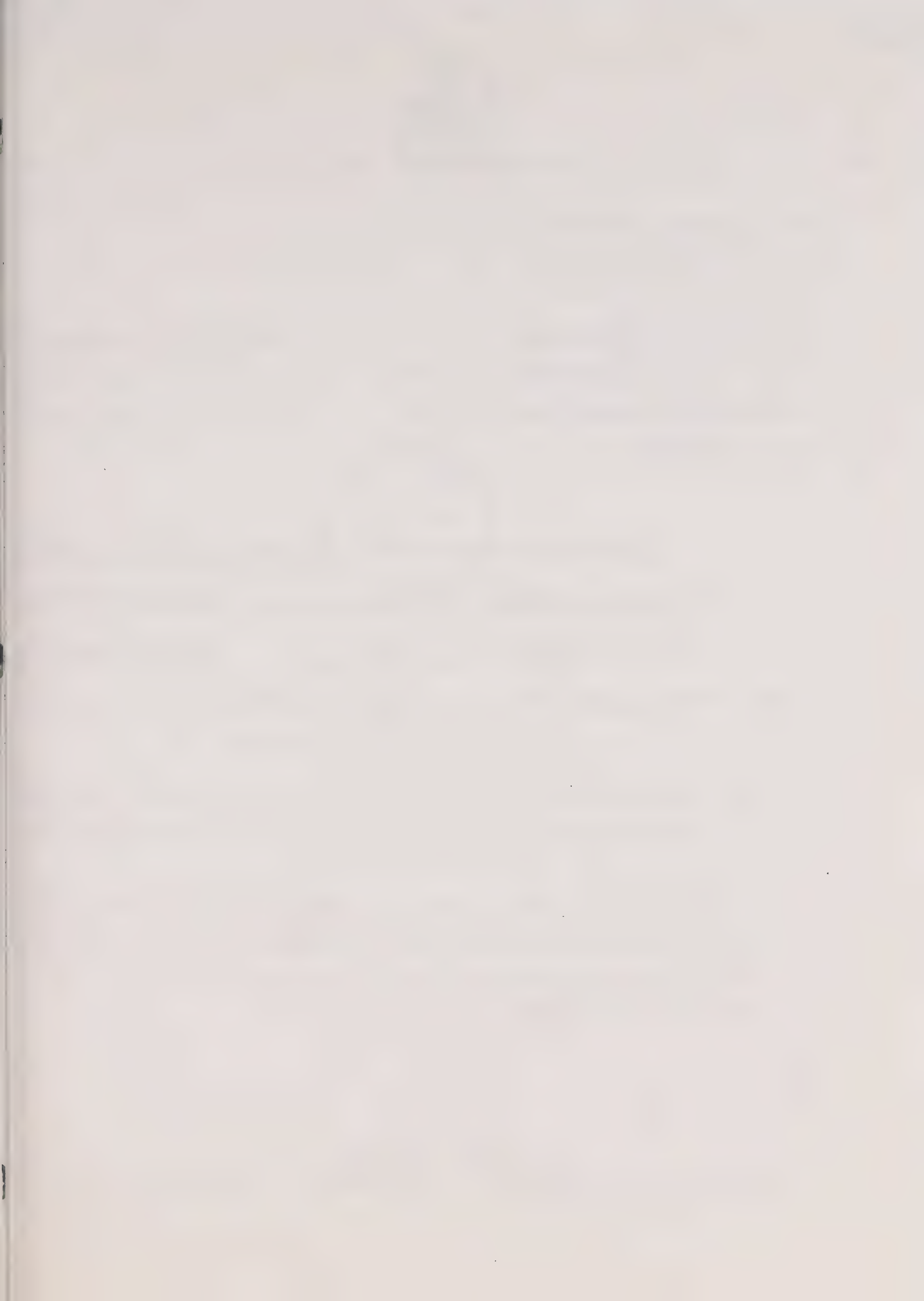
Nays

Albanese, Lalonde, Sousa, Van Bommel, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost.

That wraps up the formal part of today's hearings. We will now have a brief discussion in camera with our researcher about some direction with regard to her report, which she is about to engage herself in writing.

The committee continued in closed session at 1346.



CONTENTS

Thursday 21 February 2008

2007 Annual Report, Auditor General:

Section 3.09, hospitals—management and use of surgical facilities	P-5
Ministry of Health and Long-Term Care	P-5
Mr. Ron Sapsford, deputy minister	
Ontario Hospital Association	P-8
Mr. Tom Closson, president and chief executive officer	
Toronto East General Hospital	P-10
Mr. Robert Devitt, president and chief executive officer	
St. Joseph's Healthcare	P-10
Dr. Kevin Smith, president and chief executive officer	
Sudbury Regional Hospital	P-10
Mr. Joe Pilon, senior vice-president	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York–Sud–Weston L)

 Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton–Centre ND)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mrs. Liz Sandals (Guelph L)

 Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

 Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

 Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

 Mr. Jean-Marc Lalonde (Glengarry–Prescott–Russell L)

 Mr. Charles Sousa (Mississauga South / Mississauga–Sud L)

Also taking part / Autres participants et participantes

 M^{me} France Gélinas (Nickel Belt ND)

 Mr. Peter Kormos (Welland ND)

 Mr. Jim McCarter, Auditor General

Clerk / Greffier

 Mr. Katch Koch

Staff / Personnel

 Ms. Lorraine Luski, research officer,
 Research and Information Services



P-3

P-3

ISSN 1180-4327

**Legislative Assembly
of Ontario**

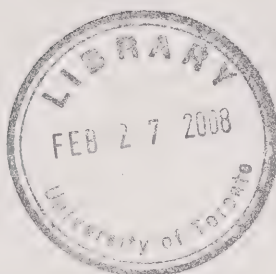
First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Friday 22 February 2008



**Journal
des débats
(Hansard)**

Vendredi 22 février 2008

**Standing committee on
public accounts**

2007 Report, Auditor General:
Ministry of Community Safety
and Correctional Services

**Comité permanent des
comptes publics**

Rapport annuel 2007,
Vérificateur général :
Ministère de la Sécurité
communautaire et des
Services correctionnels

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Friday 22 February 2008

Vendredi 22 février 2008

The committee met at 0935 in room 151, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF COMMUNITY SAFETY
AND CORRECTIONAL SERVICES

Consideration of section 3.02, Centre of Forensic Sciences.

The Chair (Mr. Norman W. Sterling): My name is Norm Sterling. I'm the Chair of the public accounts committee. The public accounts committee has asked to consider section 3.02 of the 2007 annual report of the Auditor General.

Today we have several officials from the Ministry of Community Safety and Correctional Services, led by Deborah Newman, who's deputy minister. I'll ask you, Deputy Minister, to make an opening statement and introduce the other people who are sitting at the table with you.

Ms. Deborah Newman: I am Deborah Newman, deputy minister of community safety and correctional services. On behalf of the ministry, I'd like to thank the public accounts committee for the opportunity to address the 2007 annual report of the Auditor General, relating to the Centre of Forensic Sciences. I'm joined this morning by Glenn Murray, the assistant deputy minister of the public safety division; Allan Gunn, who's seated behind me, the assistant deputy minister of corporate planning and services; Dr. Ray Prime, the director of the Centre of Forensic Sciences; and Tony Tessarolo, section head at the Centre of Forensic Sciences and also project manager for the implementation of the auditor's recommendations, seated behind me.

Let me start by saying that we appreciate the recommendations made in the auditor's report and we've started to act on those recommendations. We are committed to continuing to do so and to implementing all of the recommendations.

I'd like to begin by assuring the committee that rumours of a Canadian version of the TV program CSI: Crime Scene Investigation unfortunately are unfounded, much to the dismay of the show's northern fans, no doubt. The popular series has generated a lot of interest and fascination in forensic sciences, and it's also brought about what we call the CSI effect: the public's expect-

tation that forensic science always solves the crime and every case is solved in less than an hour, before the episode is over.

When comparing reality with television, it's worth noting that CSI solves 100% of the cases, each CSI investigator works on one case at a time, and the labs have every analytical instrument and piece of equipment that a scientist could ever want. There are no backlogs. Every analysis that is scientifically possible is done in every case. Results are obtained from every item.

0940

I have to tell you that reality is very different. Real forensic scientists juggle many cases, shifting from one to another as priorities change or while awaiting the results of an analysis. It may take a number of people months to do the work that one television investigator does in an hour.

I recognize that for many people the Centre of Forensic Sciences may be a well-kept secret. With the committee's indulgence, I'd like to provide a brief overview of the CFS. It is one of the most extensive forensic science facilities in North America, providing independent scientific laboratory services to support the administration of justice and public safety programs in Ontario. Police officers, crown attorneys, defence counsel, coroners, pathologists and other official investigators make use of CFS services to conduct forensic testing in support of criminal and coroners' investigations throughout the province.

The CFS operates out of two laboratories—a large facility at 25 Grosvenor Street here in Toronto and a smaller, northern regional lab in Sault Ste. Marie. In 2006-07, the CFS received over 10,400 cases and issued almost 12,700 reports, with a budget of \$25.5 million and 260 staff. Through these two facilities, scientific analyses are provided in the areas of biology—for example, DNA and textile fibres; chemistry, which includes fire debris, soil, glass, paint; documents and photography—for example, handwriting and photo analysis; electronics—for example, cellphones, audio and other electronic devices; firearms, including weapons and ammunition; and toxicology—for example, drugs, poisons and alcohol.

The CFS has been accredited by the American Society of Crime Laboratory Directors since 1993. This is a non-profit professional society of crime lab directors and forensic science managers dedicated to providing excellence in forensic science through leadership and innovation. The CFS is preparing for re-accreditation this

year, a process that takes place every five years. In this regard, the auditor acknowledged that the CFS has systems and quality assurance programs in place to successfully and continuously monitor and take corrective action.

One example of the value of the CFS, if I could share one story with you, was their role in responding to the murder of Holly Jones in the spring of 2003. I'm sure you remember this very tragic case. The investigation was an enormous undertaking for the Toronto Police Service because it included the daunting task of knocking on hundreds of doors, home to home, and considering more than 2,000 tips from the public. Lead investigators recognized early that forensic science could play a crucial role. An examination of trace evidence of the victim provided the clue that the child had been in contact with a green carpet. Armed with this information, front-line police officers were able to identify a potential suspect during a door-to-door canvass. When the suspect refused to volunteer a DNA sample, undercover police were able to collect a discarded DNA sample for comparison against a foreign DNA profile. The profiles matched. The suspect was arrested and his apartment was searched. DNA analysis revealed traces of the victim's blood. Faced with this evidence, the suspect confessed and entered a guilty plea. Information from the CFS enhanced the traditional police investigation and certainly reduced the amount of police work involved.

As the auditor also noted, the CFS is well respected by its clients, having received a high overall rating. Specifically, results from the last three annual client satisfaction surveys indicate a greater than 90% overall satisfaction rating. The audit report further noted that the CFS clients consistently informed the auditor that they were pleased with the quality and calibre of services they received and the staff they dealt with.

The CFS recognizes the value of establishing partnerships and implementing technological automation. The auditor acknowledged the value of CFS savings resulting from the recent automation of services. The CFS, in partnership with the federal government and the Quebec forensic laboratory, has worked on development and implementation of two national data banks: the National DNA Data Bank, to which the CFS contributes more than one third of the crime scene index DNA profiles across the country; and the Canadian Integrated Ballistics Information Network, which is used to link shooting events. To date, the CFS has been responsible for identifying 70% of the shooting linkages nationally through this network.

The CFS also regularly partners with local police agencies, such as the Toronto Police Service, to reinvestigate old sexual assault cases and cold cases using DNA analysis. There's regular interaction and consultation with Toronto police through attendance at weekly homicide meetings. In addition, there is regular interaction and consultation with coroners and pathologists in the province through attendance at regular meetings.

In terms of other functions and duties, the CFS activities include casework, court attendance and client

education. In 2007, CFS staff appeared in court on 612 occasions to provide expert witness testimony throughout the province. CFS staff were also involved in delivering 345 different training events to clients and stakeholders.

This morning I'll be reporting to you on the progress made in each of the five key areas identified by the auditor. Work is under way to ensure the effective planning and execution of all recommendations. As I said at the onset when I introduced Tony Tessarolo from the Centre of Forensic Science, I'm pleased to say that we have an experienced manager such as Tony, who has been appointed as the project leader in order to facilitate the implementation of the auditor's recommendations. I'll be focusing on the following areas: measuring and improving performance, involving our clients and stakeholders, measuring and monitoring urgent cases, monitoring and assessing delays and, finally, benchmarking with other forensic service providers.

With respect to measuring and improving performance, we're pleased that the auditor confirmed the importance of the work conducted by the CFS in assisting investigations. We recognize the need to ensure that turnaround times meet investigative needs. The auditor noted the improvements made in turnaround time at the CFS since 2000-01. While staff strength increased by 8.8% since that time, at the same time there was a 70% increase in reports and an overall 48% increase in workload, all of which highlights more efficient and effective operations. The CFS is committed to continuous improvement and will review its practices in an effort to enhance our progress towards faster service delivery.

Prior to the tabling of the auditor's report, the CFS initiated a process whereby managers would apply consistent criteria for prioritizing cases across each forensic discipline. The first-in, first-out system is structured to be flexible, while providing standard processes across the organization. The CFS has already taken measures to specifically improve turnaround time in toxicology since January. However, it's too early to measure the results of those improvements.

I'd like to clarify a point from the auditor's notes. It's important to differentiate the use of the term "targets and performance measures" versus the phrase "turnaround time" that is often discussed in the auditor's report. It was noted that some labs set targets that are much shorter than 90 days. However, it's often the case that the actual performance or turnaround time of the lab fails to meet these shorter targets—and Jim is smiling because we had this conversation. For example, Ontario's auditor reported that the Auditor General of Canada did note that for the most part the RCMP Forensic Laboratory Services was not yet meeting its turnaround time targets. They set ambitious targets, but they weren't meeting them in terms of turnaround time. So I think the difference between the targets and the actual turnaround times is something to bear in mind.

0950

The percentage of reports completed in 90 days was a performance measure utilized by the CFS. Moving

forward, the project leader will be undertaking a review of current practices, section by section, in the CFS, as recommended by the auditor, to identify mechanisms for improving turnaround times—so a business process review, if you like, section by section.

In terms of involving our clients and stakeholders, the auditor recommended that the CFS should involve its clients to a greater degree in setting turnaround time targets for different types of cases. The auditor noted that in setting turnaround targets, the CFS advisory committee and the annual client survey are two potentially good mechanisms that we could use to assist in determining performance measures, and we will make use of both of these opportunities. In fact, we are having the semi-annual meeting of the CFS advisory committee in April and plan to focus our discussions with our stakeholders on the advisory committee on turnaround times and get their feedback and input in that respect. We're also consulting with our clients to determine how to assist in setting realistic and reasonable turnaround times, potentially using a specific client survey targeting respondents or focus groups, and we will discuss those mechanisms with the advisory committee at its next meeting.

The CFS proactively informs its clients of the average turnaround time when they submit their evidence. A client information sheet outlining the average turnaround time for each of the forensic disciplines is provided along with the evidence receipt. As a direct result of the auditor's recommendation, client information sheets have been reformatted and are now prominently placed in the information package. This ensures that there's a realistic expectation about how long it will be before a report is produced by the CFS.

Turning to urgent cases, the reality of criminal investigations and the justice system, of course, is that urgent cases are unavoidable. Whether it's a serial sexual predator being pursued by the police or the indiscriminate shooting of innocent bystanders, forensic examinations are likely to be called upon with expectations of a prompt report. Performance regarding turnaround time in urgent cases has been and continues to be very responsive. The auditor noted that clients interviewed were satisfied with the improved service provided, especially in major cases.

As noted by the auditor, however, no formal mechanism currently exists for tracking and monitoring of urgent cases across the CFS. In other words, the CFS is very responsive to fast-tracking urgent cases, but we have not been collecting data on this. We acknowledge the value in collecting this information and expect it to reflect positively on the lab's performance in cases where timeliness is most critical. In addition, this information would be particularly helpful in assessing the impact that dealing with urgent requests has on scheduled laboratory operations. As such, the CFS has initiated an evaluation of its existing laboratory information management system to determine how this data can be best captured. The lab information management system captures critical

information regarding the chain of custody of all evidence received by the lab. It also gathers information related to the progress made in all cases examined. As a piece of evidence moves along the forensics chain from being received, assessed, analyzed, reviewed and reported upon, the system tracks its progress. The application of resources to deal with urgent cases has an inevitable impact on the timeliness of other cases that are queued for routine examination, and we'll start to measure that.

In terms of monitoring and assessing delays, the CFS is acutely aware of the impact that delays have on investigations. The CFS strives to provide a careful balance between product quality and a timely report. Delays can be caused by a number of factors, including equipment breakdown, staffing issues, turnover, recruitment, training and so on.

A recent needs assessment identified that the CFS physical plant is also ready for a change. The current facility was completed 32 years ago, when there was a staff of 75, and it was designed to hold a maximum of 150. Currently, 238 people work in the Toronto location, and that number is projected to grow to over 400 in the next 10 years. To meet the caseload, technology, accreditation, justice system, and health and safety demands of the CFS, the construction of a substantially larger, more modern laboratory is planned. This new facility will enhance the ability of the CFS to streamline processes and to avoid delays.

We look forward to the implementation of the auditor's recommendation regarding the monitoring of delays. It will greatly assist us in determining the most effective mechanisms for addressing the delays.

Benchmarking with other forensic service providers: The CFS has been working on a business-guided evaluation of forensic science laboratories across North America called Foresight, which is supported by the US National Institute of Justice. The intent of this project is to standardize definitions for measurements or metrics to evaluate work processes, linking financial information to work tasks and functions. Laboratories participating in the first year of the project have agreed on a series of common measurements that include staffing, finance, casework performance—including turnaround times—and non-case work activities such as training. The business and economics department at West Virginia University is analyzing the data and will report back on its capability to provide meaningful benchmarking information. It's a very difficult and complex task to benchmark, and they're not always apples-to-apples comparisons. They will also recommend improvements to the methodology for the future. Although it's anticipated that there will be considerable challenges for the participating laboratories to align their own corporate data systems with Foresight, the exercise will ultimately allow participants to assess and compare service delivery.

That is my summary of progress and plans to date. I'd just like to flag for you that there will be other challenges ahead. For example, federal Bill C-13, An Act to amend

the Criminal Code, the DNA Identification Act and the National Defence Act—it's a long title—and Bill C-18, An Act to amend certain Acts in relation to DNA identification, both came into force on January 1, 2008. The purpose of the bills is to amend provisions in the Criminal Code respecting the taking of bodily substances for forensic DNA analysis and the inclusion of DNA profiles in the National DNA Data Bank. The bills added 172 offences, including car theft, arson, drugs and firearms-related offences, to the list of offences in the Criminal Code that can be investigated through the use of the DNA data bank.

Federal Bill C-2 is pending. It proposes to increase penalties and create other changes in impaired driving offences, including alcohol impairment and, for the first time, drug-impaired driving in Canada. This will have considerable impact on the demands for toxicology services, court testimony, research and development, analysis and officer training.

1000

The recent addition of 1,000 new municipal police officers in the province, plans to hire 200 new OPP officers in the province, and the federal government's pledged 2,500 police officers across Canada—assuming Ontario receives its fair share—will have an impact on the CFS workload. The province has also increased the number of crown attorneys and judges to bring cases to trial faster. The province's recently funded guns and gangs initiative means that more weapons will be submitted for scientific testing in DNA, firearms and chemistry.

Finally, the Inquiry into Pediatric Forensic Pathology in Ontario will be submitting its report at the end of April 2008. The inquiry has heard testimony from both pathologists and coroners. We anticipate some recommendations will, no doubt, impact the Centre of Forensic Sciences.

The Auditor General's report will assist the CFS in preparing and planning for all of these challenges and to meet the ongoing expectations of our clients. Thank you for the opportunity to speak today, and I look forward to your questions.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much for the presentation. I am pleased to say that all the questions I was going to ask have been answered in your presentation. They related primarily to what we're doing to deal with the recommendations in the auditor's report. I was pleased to hear that a lot of work has already been done to meet the recommendations in it.

I just wanted to quickly touch on what would have caused an auditor's report on an organization like that to make almost all the recommendations about not how we do our work, but how we administer the organization. I was taken aback a little bit by the fact that we have done a lot of benchmarking with the quality of our service, and we have done absolutely nothing, it appears, with how effectively and efficiently we run the business. What

prompted an organization to be run in a way that we weren't at all looking at whether we were providing an effective and efficient operation, even though we were putting out a top-class, first-class product? Obviously, compared to other labs, ours is second to very few. But in how we do it, we have no idea whether we're doing a good job or a bad job as far as delivering the service.

Ms. Deborah Newman: Thank you for that question. Maybe I'll make some comments and then ask Dr. Prime if he'd like to add to those.

I'd like to begin by saying that we have attended to the efficiency and effectiveness of the Centre of Forensic Sciences and we have, in fact, been measuring turnaround times and paying attention to that. In fact, the auditor did note some improvement in turnaround times.

We're one of three publicly operated labs in the country. There's our lab here in Ontario, there's a Quebec publicly operated forensic lab, and there's an RCMP lab. I think we're certainly roughly comparable to the RCMP lab in terms of our turnaround time results. They are somewhat better in one area than we are, and we're better in another area than they are. I think it essentially comes out in the wash, that we are roughly comparable to the RCMP lab, and certainly more favourable than a number of US labs.

We are paying attention to our performance in terms of turnaround times and benchmarking, as I mentioned, and making efforts to try and benchmark our results against other laboratories. In 2000, we made efforts to try to benchmark ourselves and our results and productivity against three publicly operated labs and two fee-for-service labs. Unfortunately, these efforts were unsuccessful due to the significant variation in the way in which data was collected and variability, if you like, in metrics. So there wasn't any direct opportunity for apples-to-apples comparisons.

As I mentioned in my remarks, though, we're now involved in the Foresight project, which intends to standardize metrics so we have a better opportunity to compare ourselves. The Quebec lab, which is a public sector lab, is not accredited. We are accredited, so we are paying attention to both quality as well as benchmarking effectiveness, turnaround times. Having said that, clearly we have room to improve in terms of measuring what we do.

Dr. Prime, would you like to add anything to that?

Dr. Ray Prime: Yes. Mr. Hardeman did ask how we came to be focusing, I think, so much on quality. If you recall, going back 10 years ago, we were involved in a public inquiry that was headed by Justice Kaufman. There were a lot of recommendations that came out of that that spoke to the need for quality and checks and balances in the system to ensure that such a thing didn't happen again. We responded, I think, very well to that. We were one of the three parties that was criticized for what happened.

If you follow any forensic science news, which doesn't really come out in a daily newspaper but is certainly on Google, you'll see that throughout the United

States, for the last decade, there have been revelations of wrongful convictions. Science has been there to reveal it, but it's also been there to cause part of it. So the whole industry of forensic science, I think, has focused on making sure that those kinds of events don't happen again. In addition to that and because of that, the defence bar is much more tuned to science. The defence bar has grown very knowledgeable in science as DNA has developed because DNA has pretty well developed in the courtroom. So they're looking at what kinds of checks and balances and measures are in place to assure quality. All of these things do add to the cost of doing the business.

The deputy has touched on making comparisons. We had very long conversations with our auditor's staff on the issue of making these kinds of comparisons, because the majority of the labs that we're able to get information from and work with are in the United States, and they have very, very different systems and very different responsibilities. They have different levels of labs. They have county and state labs; they have city labs. They're very small labs in most cases. So it's much harder to get those comparisons with their workloads, particularly when they're dealing with drug cases—which we don't—which skews their work. Some of their labs also run DNA samples that go into their databases, which again is separate in Canada. So there are those apples-to-apples comparisons that the deputy has referenced.

I think the value of the comparisons and the value of collecting this kind of data is to look at our own progress, and we have done that, and the auditor commented that we have been doing that. Certainly, going back to about the time of the Kaufman exercise, our turnaround times were much worse than they are now, and we've been focusing on trying to improve that.

At the same time that we've been making these improvements in our turnaround times and making every effort we can to be efficient and effective in what we're doing, we have been having an increase in the caseload, in the workload. That's been particularly evident in the area of DNA. It has been especially so in guns and gangs, particularly in the last few years in Toronto. We have had resources put into some of those areas, and we have been able to stay abreast and improve our turnaround times by focusing on those two particular areas.

1010

The other thing I'd like to point out as well, though, is that my discussions with the auditor's staff and my reading of the report spoke very much of the interest in the client, whether we're getting the needs of the client addressed. That is something that is different than saying we're inefficient. I think we're fairly efficient with the resources that we have, and we're working all the time to find ways to do that better. If the client wants our products immediately, then we don't have the resources to deliver them immediately, so we're trying to make that balance. We do that by trying to decide and work with them to see what they do need. What do they need in a hurry and what do they need when the court date comes

around two, three or four months from now or maybe even years from now? So we work with them and prioritize the work to the extent that we can and we make sure that we are able to contribute to their investigations. The Holly Jones case is a very key example of how we can impact the investigation. Each of our sections has ways that that can happen. Hit-and-run cases: We have to drop everything to do a hit-and-run case.

Mr. Ernie Hardeman: That's really what I wanted to touch on. I want to commend again the quality of the work that you're doing. I'm not finding fault with it. I'm just wondering, in order, as a committee, to be satisfied that we're doing everything right, when we talk about the length of the turnaround time on the case it would be very helpful if we knew how many times a case got moved forward and what the timeline on that was, so you had it rated: the important ones, the turnaround was in 30 days if it was asked for, but some took 90 days or some took 120 days, whatever. But to actually show why something takes much longer is because, "We're doing a better job of dealing with the immediate need for our clients." As I say, it doesn't seem to be in the report. It doesn't seem to indicate that there's any way of getting that information. How many of the cases waited the full length of the wait time and how many got done quicker because they were emergency cases? It would be helpful if we had some figures on that.

Dr. Ray Prime: That's exactly one of the recommendations of the report, that we pay attention to measuring those details. We agree. Intuitively, we feel that we respond very well to urgent cases. I remember telling Vince that and he said, "Well, prove it." We can't prove it because we've not been measuring that.

But I'd like to just put one other point to you, and perhaps we can use the Holly Jones case as well or any other kind of sexual predator case. It's very important that we respond within days to that kind of case. If that's necessary, if the police are putting the resources into that case to make sure that they apprehend someone, or they're trailing a suspect and there's a public safety issue involved, we will put the resources. We'll have people working overtime, weekends, whatever we need. That case will be responded to and we'll probably have results within 24 hours or less.

That case doesn't finish then. That case may eventually, once someone is apprehended, go to court several months down the road. So we have to have really urgent response to parts of the case but not the whole case. We're just measuring the turnaround time for the whole case and we recognize the need to look beyond that. But when we do that we have to take somebody away from doing the casework.

Mr. Ernie Hardeman: I just want to end on this line of questioning, I suppose. I appreciate that, but if that information had been available we wouldn't be asking these questions. You wouldn't even be concerned about the length of time the cases are taking because you could explain, "We are efficient and effective." But when it just says the turnaround time is that long with no way of

telling why that is, one has to question whether we're getting the appropriate response from the lab. We commend you for that and we do hope that you proceed with itemizing it or prioritizing information so that would be in the next report.

The Chair (Mr. Norman W. Sterling): Can I just ask one question, because we still have some time left in our particular—

Interjection.

The Chair (Mr. Norman W. Sterling): Oh, I'm sorry. Did you have some questions?

Mr. Jerry J. Ouellette: Yes.

The Chair (Mr. Norman W. Sterling): Go ahead.

Mr. Jerry J. Ouellette: In jurisdictions that have a 30-day turnaround time, do you know what their timelines are for cases going to court? Would there be a comparison there? We read that there are other jurisdictions that have a turnaround time of 30 days. If their cases are going to court that much quicker, does it justify it or give any reason why? Do you have any response to that?

Ms. Deborah Newman: I think the measure we have is the forensic science turnaround time, the production of a result on a test or a series of tests that have been done. So the 30-day target you're talking about is not necessarily the time it takes to go to court. I'm not sure that we have, from other jurisdictions, a measure on the time to court.

Here, we certainly prioritize cases based on a number of criteria, including whether there is an imminent threat to public safety, whether there is an upcoming court date or impending trial date, or whether the evidence is subject to some kind of deterioration in quality if the testing isn't done quickly. I'm not sure that the measures, then, from delivery of result to court date are something that the auditor commented on or that we actually have available.

Mr. Jerry J. Ouellette: One of the other questions, leading into that, was about the storage of information and the deterioration of evidence. With 10,400 cases, how do you store? What are the protocols there? Is it up to the force coming forward with the evidence or is it up to you to store that sort of information?

Dr. Ray Prime: There's quite a variety of evidence that we deal with, and much of it is evidence that doesn't need any particular storage condition, other than security. Any kind of biological material is subject to deleterious change, and we need specific provisions to be able to make sure that doesn't happen, including the training of the officers. So we put a lot of our resources into training identification officers. The identification officers are the ones who most resemble the ones you see on CSI. They're crime scene officers and they collect the evidence. With our instructions, they know what they need to do. They know what we can test. They generally take more than they should, so we want them to triage the material before it comes into the lab, and we have a system to do that when it comes to the lab. We have a receiving office where all of the items are collected.

Biological materials generally have to be dried, under conditions where they cannot be cross-contaminated, so that is a provision that goes into the training. There are some samples—for example, toxicology samples—which might need to be preserved by using special chemicals, and we provide kits for them to do that. There are some samples where, in order to bring efficiencies to our work, we don't do all the tests—on blood samples, for example. We might, then, save a portion of the sample for a number of years for future testing. Those samples then have to be kept at minus 80 degrees in special freezers. The DNA samples, once the DNA is extracted, have to be stored in a certain way. Usually with blood and semen you can just dry it and store it that way, but it has to be dried very quickly and in an area where it's not going to be subject to someone else's contamination.

Mr. Jerry J. Ouellette: Do we have more time?

The Chair (Mr. Norman W. Sterling): You have about two minutes left.

Mr. Jerry J. Ouellette: There's a lot of new technology coming forward. I understand that, for example, in accident situations, camera technology will take up to a million points of measurement with a single photo. What about the usage of that in courts? That is a difficulty for a lot of officers, because as the new technologies come forward, they aren't sure the evidence will be admissible in court. Are there cases where there would be delays or the inability to use new technologies because of the inability to use them in courts, and how can that process be speeded up?

1020

Dr. Ray Prime: We're always looking at using the best technology for court purposes, and very often forensic science is driven by the fact that the legal community wants to know that we've exhausted all possibilities in trying to prove that something is different. If we go back to when I started in the business, we might have used a technique called chromatography, which would have been quite acceptable to the chemist to identify a material. In order to demonstrate its value to the courts, then we would have run that same sample on another chromatographic system to get the same result and said that it's the same. When mass spectrometry became available, then the courts would ask you whether you'd tested this with a mass spectrometer, because a mass spectrometer gives you the identity of the chemical. So we incorporate that and it's driven by the needs of the courts. The courts will accept the technology provided we have done the validations. That becomes another part of the quality assurance system. Whenever we introduce a new technique, we have to validate it and show that it works in our lab to produce the results that are expected. We have to express the strengths and the limitations in court. It's not a problem taking things into court as long as you have properly validated them.

The Chair (Mr. Norman W. Sterling): Ms. Horwath?

Ms. Andrea Horwath: Good morning. I have to say that notwithstanding your cautions about the CSI issues,

my son thought it was pretty cool, what I was going to be doing today.

I wanted to just follow up on some of the issues around the courts. The thing that made me curious, and I'm wondering if you can give any perspective on this at all, would be, is your operation—the work that you're doing, the way that it's organized and the requirements then to take these pieces of evidence to court and testify—affected in any way by court backlogs, by cancellations, by trials that are stopped, adjournments and those kinds of things? Is there any effect on the work that you do and the way that you organize your work? Is it affected by problems in the court system itself?

Ms. Deborah Newman: I'm just going to begin and then ask Dr. Prime to add to that.

Certainly, the appearance of forensic scientists in court is a critical function and quite integral to a trial and the court process and giving expert evidence, as you can imagine. You raise an important point, and that is that the CFS liaises very closely with the crown prosecutor to make sure the scientist isn't spending undue time waiting around at court to provide evidence and so on, or subject to scheduling changes and such in court, because the time is so valuable. Of course, any time spent in court, while it's critical, takes away from the processing of cases and conducting tests on samples and such back at the Centre of Forensic Sciences. So every effort is made to ensure that the scheduling of the scientist's time is done with the greatest degree of efficiency. I understand that in many cases the appearance of the scientist at trial will cause the suspect to enter a guilty plea as soon as they see the scientist there. So it's unfortunate they have to go to court and detract from the processing of cases back at the centre, but it's critical to the administration of justice.

Dr. Prime, would you like to add anything?

Dr. Ray Prime: Just that that becomes part of the trial strategy of some counsel. We've tried over the years to work with the crowns and the police to minimize any time that's lost in court, but it does require the co-operation of the crowns, and it becomes part of their strategy to see if the expert turns up before they will proceed. That's most difficult for us in the higher-volume areas like the drinking and driving cases, where any kind of strategy seems to be worth a try in those shorter kinds of cases.

In the more complex cases, there's more scheduling and there's more capability for us to interact and make sure that we are likely to be heard, but there are delays that occur when witnesses go over time. Generally, the witness will be called very early in the process, and it's one of the things we have to train our new scientists in, that you don't go on the first day that you're subpoenaed; you make sure you do communicate with the crown. The thing that has changed over the last few years is that there is a requirement for the crown to advise the defence 30 days prior to the court date that an expert is going to be called. So in terms of scheduling it, it helps.

As to your question about the backlog of the courts, I'm not quite seeing how you think that would impact us.

The more backlogged they are, the better it would be for us, I think, because we don't have any timelines.

The only other thing I could add to that is that as part of our prioritizing, if we know there's a scheduled court date, we will move our casework up to meet that court date.

Ms. Andrea Horwath: I'm just curious, then, in your process review—and that's going to be your work, is that right?

Interjection.

Ms. Andrea Horwath: In the process review, as per the recommendations of the auditor's report, there was nothing specific about measuring the effect of court delays, adjournments or any of that. I'm just wondering if that might be something that would be helpful to measure, because they are one of the customers, if you will, or clients, and some of their processes may be negatively affecting your processes. I'll just kind of throw that on the table because it's something that may in fact be worth looking at.

Ms. Deborah Newman: I think that's a very good point. We'll be focusing on collecting reliable data on all of the reasons for delay so that we have some sense of what's causing delays and whether there can be some intervention that would be helpful in reducing them. That may well be another reason for delay, as you point out.

Ms. Andrea Horwath: I wanted to ask another question regarding the areas of work that you do and the statistics. You had mentioned—it was very helpful, and I'm glad you put it on the record again—the issue of the pressures that you'll be seeing with changes to federal legislation particularly. The auditor, in his remarks at the beginning of the morning in the closed session, did flag some of those, so it was good that you mentioned those as well.

I was interested to note on page 64 of the auditor's report where the pressures are coming from, the increases and decreases in terms of the various areas of work that you're doing. I noticed the very last line, "electronics." Those are cybercrime types of things, is that right?

Dr. Ray Prime: Our electronics section focuses mostly on restoring hard drives and on cellphones and personal organizers—trying to extract data from them. It does some other kinds of analysis on devices like tasers. You have to demonstrate that a taser is operational and that it is within specifications when charges are laid relating to tasers. We don't get involved in cybercrime as such. That's the purview of the OPP.

Ms. Andrea Horwath: But your role would be to take the devices that are—so your lab will take those devices as these incidents occur and there are charges laid and evidence required. Your lab, then, does do the work to get the evidence to deal with some of these allegations?

Dr. Ray Prime: We do work to extract data from certain devices. With something like the electronics business, it's changing very rapidly. The police are working very closely to stay on top of these things as well. So our electronics section a few years ago would have done a lot of work developing ways to extract information from

cellphones. That's fairly routinely done by software applications now, and the police can do some of that themselves. We're focusing on trying to do things to assist police investigations without doing routine things that they can do. So we might be doing damaged cellphones, for example. But what we're attempting to do is extract the information from them that we can turn over to them to use.

1030

Ms. Andrea Horwath: The reason I ask is because it doesn't seem like there's that much volume, and also there has been the recent child pornography situation that occurred. I noticed that there was a significant amount of police resources doing the actual finding of the data or dealing with the hard drives within the police departments. So that work you don't really do so much.

Dr. Ray Prime: No.

Ms. Andrea Horwath: It's actually done within the police departments themselves.

Dr. Ray Prime: That's right.

Ms. Andrea Horwath: One of the questions that I had, and I think, in fact, that it was answered, was the question around—you identified in the report, the summary follow-up, that it was difficult, problematic, to compare different jurisdictions setting benchmarks and those kinds of things. Although I was going to ask for more detail about that, I think it's pretty clear from your explanation a little bit earlier on in your opening remarks that the levels of jurisdiction, the size of the labs, the different kinds of work being done in different areas, make it much more difficult. Is there anything that you wanted to add to that particular challenge?

Ms. Deborah Newman: Do you want to talk a little bit about Foresight going forward, Dr. Prime?

Dr. Ray Prime: Yes. We had been asked to participate in this project that Deputy Newman has referred to, and we did begin work on that, actually, before the auditor's report came out. We have one of my deputy directors on the committee, and we also know that the RCMP is participating. That was another reason we thought it might be valuable to us, because we might be able to develop comparators with not only the American system but at one of our country's labs as well. The reports that I'm getting back from my deputy director who's doing this are that it's been very challenging, and they expect it to be very challenging, and they may not come up with a lot of comparators, but they are going to continue to persevere with it and develop not only data such as the casework, backlog and productivity data that we've been talking about, but also data that relates to resourcing and how resources have been applied and how efficiently the various labs and processes are working. My understanding of the system they're using for this Foresight project is that it's based on work that was done in England and Europe in doing similar comparisons. I think they have the drive to continue with it, they have the funding from the US government, and they also have the resources of the academics to keep it moving forward.

Ms. Andrea Horwath: What's the timeline on that?

Dr. Ray Prime: I think the funding was for one year, but I expect it'll go beyond that.

Ms. Andrea Horwath: So that year would end—

Dr. Ray Prime: This summer or fall.

Ms. Andrea Horwath: It seemed to me that when I read through the report and the summary recommendations, the organization pumps out a heck of a lot of work with very few resources. That's the sense I get, anyway. I was just wondering: Do you think the work that's being done to measure some of your timelines particularly will negatively affect the ongoing work of the organization? It seems like a fairly small organization in terms of resources, so would having personnel move to do this kind of follow-up in any way affect the ongoing work that you're doing? Further to that, then, just on staffing issues, as you look to the development of the new centre, the new physical plant, I guess you could call it, do you anticipate that you'll be needing larger numbers of staff—the new centre, the auditor's work and then the pressures that were identified in the legislative changes and the resourcing of police and all of that?

Ms. Deborah Newman: To answer your first question, you're asking whether the dedication of staff to try to address measurement and identify causes for delay and tracking and monitoring and so on will detract from the performance of the lab because it's a small lab. I think we're committed to making that investment. I think we have to be able to measure what we do and report on our results. So it's part of doing business and being accountable, and we're certainly prepared to invest the resources that are required to improve the tracking and measuring of the work that gets done.

In terms of going forward, certainly the various events, the legislative and policy changes—mainly at the federal level, but not exclusively—the addition of police officers in the system and so on, we anticipate will have an impact on our staffing requirements. I think our obligation is to ensure that we're operating as efficiently as possible before we take forward a business case to treasury board to ask for additional staff and resources. At the moment, our focus is on ensuring that we do the business process review, that we can assure ourselves that we are as efficient and effective as we can be in each section of the Centre of Forensic Sciences, that we've looked at technological innovation and automation and so on. Once we're satisfied that we're as efficient as possible, as these developments come along and there are legislative changes that impact, I would anticipate that we may well need to take forward a business case for additional staff as forensic science continues to evolve and the justice system relies upon it more and more.

We're certainly seeing a sharp increase in the use of DNA, for example, in the biology section. That's the wave of the future, for sure, and as we move into the new Centre of Forensic Sciences or our forensic services complex, we'll have the room and capacity for some expansion.

Ms. Andrea Horwath: Thank you. I don't know how much more time I have, Mr. Chair, but I had a question. I

was curious about—again, back to the statistics—the firearms and toolmarks increase: a 152% increase since 2000-01. My assumption, of course, is that that's a reflection of the gun crime problems here in Toronto. Is that a fair assumption?

Ms. Deborah Newman: That's certainly, from a layperson's point of view, my assumption, because the government has invested significantly: \$26 million in a new guns and gangs operation centre. The CFS is a key partner in that guns and gangs op centre, and with the focus on addressing gun and gang violence—particularly in Toronto, but certainly in other parts of the province, in other urban areas particularly—it necessarily has an impact on the CFS as well. The demand for the work in the firearms section, I would think, is significantly driven by this initiative. When we added additional resources, including the guns and gangs op centre, we added seven staff to the Centre of Forensic Sciences as well in a corresponding way to address the increased workload.

Ms. Andrea Horwath: That's actually where I was going with that. When you look at the table that indicates the increase—I don't think there are any decreases. Oh, yes, there is, documents and photoanalysis, because now that's all in electronics. The table on page 64 indicates the increases overall. To what extent has the lab been resourced to handle those increases in past years? I didn't have time to look through the estimates books and check all the figures, but I'm sure you would know that.

1040

Ms. Deborah Newman: I've spoken to the increase. When the guns and gangs operations centre was brought on board, we added seven staff to the CFS in firearms and biology. Since 2001-02, we've added 21 staff, and maybe Dr. Prime can speak to some of the other reasons why.

Dr. Ray Prime: In the other areas, there have been small numbers of staff added to the biology section to deal with the earlier changes to the DNA legislation that resulted in our developing initiatives for testing break-and-enter cases. We've been working to increase the number of samples that go to the national data bank.

There were two parts to the guns and gangs. I think we did have a few people added earlier to that section as well. We certainly have not had a lot of growth since the time of the Kaufman expansion, though.

The other thing you might be seeing in firearms, in terms of the increased output, might result from the technology that we use for comparison of cartridge cases and bullets that are found at crime scenes. That's a fairly recent initiative that's been undertaken, in partnership with the RCMP, to database all of that information.

Mr. David Zimmer: Now that you've had the benefit of the Auditor General's report and some conversation this morning and so on—and there are lots of details that you've got to sort out—I ask this question of each of you: What three things would you like to work on that are doable in the reasonably short term and that will have a very practical effect on the work of the centre and its relationship with the end users, which is typically the court system? With the benefit of the report and just

sitting back and reflecting on it, taking a view from 30,000 feet, what three things would each of you think you could reasonably tackle that are doable and practical?

Ms. Deborah Newman: Three things each or one each? I'll let Glenn Murray start.

Mr. Glenn Murray: I think I would mention the urgent cases, as both the deputy and Dr. Prime have indicated already. While we do a great job of actually triaging and working with our partners to address those cases, I think it is important for us to be able to identify, as one of the members has already asked, where we're at in that process. That's good work that we're going to get done, and we're looking forward to being able to produce that more on demand.

Ms. Deborah Newman: I'll just add the tracking of the reasons for delays so that we know what impact various—what are the driving factors for delays, and then being able to focus, once we have reliable data on delays, on what can be done to address the delays. I think that could improve the performance and certainly the metrics on our performance as we go forward. That's one thing.

Having more granularity in our measurement, section by section, as well, and being able to track, as Mr. Murray has said, the impact of urgent cases on the queuing of routine examinations, the reasons for delays, and more statistical data that tells us how we're doing and allows us to intervene where it makes sense to do so will improve our performance.

Certainly, consulting with our stakeholders with respect to what are reasonable turnaround targets is something that I look forward to hearing the results of. I'm sure if you're a police officer, you'd like everything right now, but I think we need to be realistic and reasonable, collectively, in terms of the delivery of results from the centre and making sure that we're focusing on the right things and we're in a position to continue to be a world leader in forensic sciences.

Mr. David Zimmer: And your one or two things?

Dr. Ray Prime: As the lab director, I assume I'm going to be asked to do this without any changes in the level of resourcing, so I'll speak to the three things that I would look at as being possible to do without infusions of large amounts of money.

One would be to see if we can use our lab information management system properly to measure these things that the auditor has recommended. We do have a lot of data in the system and we might be able, with very little effort, to put software to work to get us some more information.

Another thing that I've already tried to do or already done is to get staff engaged. As a manager, you can tell the staff all you want that you want more work out of them, or you might say that you want to improve your turnaround times and they may take it to mean that we want more work out of them. I think if we can engage them, using the external eyes of the auditor to say that we need to make some improvements, we might be able to take some advantage of that and get staff coming up with their own ideas and get their own focus on turnaround time to make some improvements that way.

The other area is that in most of our work in volume analysis—that's in chemistry for arson, for example, and toxicology for most of the things that we do—we rely very much on automation to get the work done. That's how we've managed to continue to be effective over the years as instrument automation is available to us. So we've done a lot of that, and that technology is just beginning to be available in biology for the DNA work, so we'll be expanding the use of automation to do that. One of the problems with forensic sciences, though, is that much of the work we have to do is real hands-on, dirty work. You have to find the sample. People don't bring in tubes of sample to us like when you take a blood sample at the doctor's. They bring in beds and buses and cars and carpets, and we have to find the samples before we can work on them. So there's only a limited amount of things we can do to cut down on the work. We can bring efficiencies, as we have done over the years, in terms of balancing between technologists and scientists in terms of which is the best way to get the work done. Those are things I would look at.

Mr. David Zimmer: Just one last question. It's an historical question, so perhaps I'll direct it to you.

Dr. Ray Prime: The oldest one here.

Mr. David Zimmer: So that's where you want to go. But when I read through the report, they point out, for instance, that in the UK, it's half of Ontario's turnaround time, in Sweden it's half the time, and in a lot of other jurisdictions it's about 30 days. That's a significant advancement over the situation in Ontario. Just looking back, how did Ontario fall behind?

Dr. Ray Prime: Ontario hasn't fallen behind. We can select some areas where other jurisdictions are showing 30 days. I can probably point to far more areas that are much worse off than we are. The FBI is much worse off than we are; many of the US labs are worse off than we are. So it's not that we're so far behind.

Mr. David Zimmer: How do you account for the differences?

Dr. Ray Prime: We have some budget numbers from the United Kingdom. The lab in the United Kingdom has 2,500 staff and they're serving a population of about 60 million. We have 260 staff and we're serving a population of 12 million. So you've got a 10 times factor in their staff and you've got a five times factor in the population. That's without talking about whether we're comparing apples and oranges.

Ms. Deborah Newman: I think there's clearly got to be some correlation between massive investments of resources and turnaround times. I think the UK invested \$600 million in recent years in terms of their lab, which is a privately operated fee-for-service lab, and they do have a 30-day turnaround time. So I think there's got to be some balancing between what's a reasonable investment and what's a reasonable result, and a result that meets the needs of the justice system.

1050

Mrs. Liz Sandals: Congratulations on the work that you've done in terms of the increase in volume and the way you've managed increase in volume at the same time

that your turnaround time has gone down. I have to agree with Ms. Horwath in terms of the "cool" factor. As you all know, I spent a couple of years at your ministry as a parliamentary assistant and when I go to explain to grade 5s what I've done while I've been an MPP, being the PA for the forensic lab is definitely the most cool thing I have ever done. That and the morgue—that's cool too.

But anyway, can we talk a little bit about this whole turnaround time thing? When we look at the definition of turnaround time I think that's somewhat confusing, because it's how many days till a report is issued. I'm assuming that isn't the preliminary report; that's the report that you would be sending to the crown, or I guess to the police, but which would eventually be submitted to the courts and shared with the defence. This is the full report on everything that's submitted. Is that a correct assumption?

Ms. Deborah Newman: Yes, that's correct.

Mrs. Liz Sandals: So when we're looking at that, that may be quite different to when you've shared preliminary results. My recollection, having been there, is that you see the police pull up from various identification units around the province and they've got sealed containers full of things and, as you say, pieces of cars and all sorts of very odd things you encounter on the elevators of the Drew building. So when you're entering a case you've got a whole range of things and you may, as you said, get sent some things that are really critical and some things that maybe aren't so critical, so that you will be picking and choosing within that range of items, plus you're picking and choosing which cases are urgent. I wonder if you could talk a bit about what that turnaround time really represents and what other information-sharing points there may be before that full report. Is that a fair question?

Dr. Ray Prime: The whole process involves the investigators either sending or bringing the items to the lab. We have a centre receiving office where the staff are trained in the proper way to accept a package and document the material that comes in. One of the key things in forensic science is being able to demonstrate to the court that the item that's being shown to the jury is the item that the police officer picked up at the crime scene, so throughout the whole process there's what we call the chain of continuity that has to be preserved. We have a lot of work that has to be done in terms of making sure that documentation process is done. We use our LIMS very much for that, the LIMS being the information system that I referred to earlier. It's a computer database. The information still has to be entered into the computer, and the descriptions and such. The bar codes are put on the evidence items and each item is given a unique identifier. The samples are then sent to the sections and they go into various types of storage. As the deputy indicated earlier, a scientist may take one of those exhibits and start working on it but may also have other cases on the go at the same time. We don't do one case at a time. A scientist will have anywhere up to 10 or 20 or even more cases open at any one time.

The scientist may find it necessary to speak to the investigator and clarify some of the information if that hasn't been done in the receiving office. There's also a need to interact with other sections. If we have a gun that's being tested, and it's suspected to have been used in a short-range shooting, then it may be more important that that gun be tested for blood before it's tested for its firearms characteristics. So there are interactions between the scientists that are necessary in cases like that. Once the result is generated, and if it's a sample that is going to impact the investigation, the scientist will contact the investigator and determine the need for priority and report on those elements and document that—

Mrs. Liz Sandals: So while it might, for the sake of argument, take 65 days to produce the final report, you may well have given the results that are influencing the ongoing investigation within a matter of a few days.

Dr. Ray Prime: Exactly, within days. The other thing that's mandatory in major cases like homicide is that there are major-case management meetings, so they bring together the investigators, the scientists and usually the pathologist for those meetings.

Mrs. Liz Sandals: You mentioned earlier, Deputy Newman, when you were giving your opening remarks, the Holly Jones case and the way in which the evidence influenced the outcome. Deputy, you didn't mention the timelines that that work was done in. Could you share with us what sort of timelines were happening in that case, which presumably would have been an urgent case?

Ms. Deborah Newman: I'll ask Dr. Prime for the particulars on that. What I would say is that I think the CFS does an amazing job in fast-tracking urgent cases. I'm certainly aware—Dr. Prime mentioned an example earlier—that a DNA test comparing a suspect blood sample to a crime scene can be turned around in as little as 24 hours. Similarly, in the firearms section, comparing a single cartridge case to a suspect firearm can be turned around in as little as six hours. Those are, I think, some very significant and impressive kinds of turnaround times on very urgent cases.

The particulars of this case—maybe I'll ask Dr. Prime if he recalls that.

Dr. Ray Prime: I can probably give you some general information rather than specific information.

Mrs. Liz Sandals: Yes, that's fair.

Dr. Ray Prime: There were two things that were needed at the beginning. The little girl had been sexually assaulted, so DNA had to be determined, and that was done fairly quickly. The other thing that people are not quite as aware of is the value of our trace evidence scientists. Our trace evidence people work in both chemistry and the biology section. In this particular case, there were some fibres collected from the dismembered body. The way that's done is, you simply take some scotch tape and wrap it around your fingers and tape all over the garment you're interested in or the person's body, if that's the case. Then you take that taping back, examine it through a microscope and look for things that are going to stick out as being unusual. In this particular case, that was

done within a few days of receipt of those items, and our trace evidence scientists recognized that there was an unusually large number of carpet fibres of this green colour. That was all done very quickly, but I can't tell you whether it was two, three or four days. I know it was very quickly.

Mrs. Liz Sandals: But we're dealing with a matter of days, not a matter of weeks or months.

Dr. Ray Prime: That's right. And if you'll recall, parts of the body were found at various times over I think a week's period or something like that. So that was the first big, useful part of the case, because the investigators had several thousand names of people on the sex offender registry. They were the main suspects, of course, and they were trying to narrow that down to a manageable number of people to deal with for this door-to-door search. So it became very helpful. As I understood it, it went down from being hundreds of suspects to two people with green carpets.

1100

The next phase then turns to the DNA. They have a potential suspect and they need to get a DNA sample from that person. The police can't just walk up to somebody and say, "I need your DNA." There has to be a reason to collect that. But they can take DNA if you decide to throw it away. So if you spit on the sidewalk or you throw a cigarette butt away or you leave a pop can in the restaurant, then you're deemed to have abandoned that. As long as the police know it's the right one, they will take it. So they did that: They brought us a pop can. Then there was something wrong with it and they had to do it again, so that took a little bit longer. They got DNA to show that it was the same. Now they had reasonable grounds to suspect this person and could get a warrant to get a DNA sample from him. At that point, we're not necessarily into drop-everything urgency, but there's still a need to prioritize. So we're still looking at trying to do that work in several days or a week as an urgency.

At the next stage, we had people go out to the crime scene, because some time had passed and the person had cleaned up the crime scene. Then you're into getting on your hands and knees and looking in the cracks between the bathroom tiles to try to find blood samples that you can extract, detect and test for DNA.

Mrs. Liz Sandals: So I'm assuming on this one that while the work that was done with the investigation was done within a matter of days, the actual file on the case report on the turnaround time, because you had this extended period of time, would have been much longer than that initial investigative interaction. I guess the conclusion from all of this would be that anything you can do to track the urgent sample turnaround, which is a lot different from final report turnaround, would be helpful in helping people to understand the really good work you're doing, as opposed to just the final case, which isn't really telling the whole story of what you're doing.

Dr. Ray Prime: But even if you take that case that we described and try to look at making those measurements,

you're going to have a very high priority for the early measurement, you're going to have a little bit less but still a priority for the next ones, and you're going to have another priority for something that has come in after you've already reported on the first one. It's not going to be a straightforward process to track.

Mrs. Liz Sandals: No. So it's almost like you've got urgent samples, and you don't really track samples per se; you're tracking whole cases.

Dr. Ray Prime: You track from when you first get involved in a case till when you finish the case. If something comes in on the 60th day and you've got a 61-day turnaround time—

Mrs. Liz Sandals: Yeah. It's like we're talking about apples and oranges here and not getting the whole story.

The Chair (Mr. Norman W. Sterling): There are about two minutes left on that time. We'll probably be going around again, so it's up to you. Do you want to do it now or—

Mr. Phil McNeely: Just a short one.

The Chair (Mr. Norman W. Sterling): Okay, sure.

Mr. Phil McNeely: Some of the services that you deliver are outside of your control of what's required, because you're reporting to the courts or the police. I'm just comparing it to an engineering firm I had, and it was about half the volume, half the staff. We used to track all costs because—you said you had 70% for labour or something like that. But when each project came in, we'd start our process. We've got estimates etc. in our business and we'd follow them through. We'd track them very much from a cost point of view but also from the stage they were at. So our tracking system was very complex.

You have about 40 analyses, reports, on a daily basis, if you look at the 12,000 per year, and the average one is around \$3,000. I just wonder, how much abuse is there in the system of your resources that the people you're reporting to—I know it's a very complex business—are not making it such that there's a control on what you have to deliver, that they're asking for the right services, all of those things. Is this a problem when you are looking at your budget? You said that you're looking at the same resources to do much more. Is this a problem, that who you are reporting to is not helping you have more control of what you do?

Dr. Ray Prime: I wouldn't say it's a huge problem. One of the problems we have is when they no longer need the work. We try and make sure that our staff, particularly if a case—you'll appreciate that cases sometimes do come in and sit on a shelf before they get started, and that is where some of the delay comes in. We have staff contact the investigator before they start the work to make sure there still is a need for it. Sometimes we find that that process isn't followed through or someone will do a case and phone up and make an inquiry and find that there's no longer an interest. So there's a little bit of that, but I wouldn't say an awful lot.

I mentioned earlier that we put a lot of effort into training the investigators in terms of what to submit and what's the right thing to submit. We'll sometimes have

the investigator coming in saying, "I know you're not going to take this, but the homicide guys said I had to bring it in." So we just push back if we think it's something that's not worthwhile doing. We do have our process to do that.

I was always taught as a chemist that the customer doesn't really know what they want, so you have to tell the customer what they want. That's part of what I try to convey to staff, to make sure they understand that we need to help the investigators to know what they need to do and not do things just because it's been asked for. I think we're doing much, much more of that than we did before, particularly with DNA. We've set up some processes in the high-volume work. I mentioned the break-and-enter cases, for example, where we've agreed that it's important, the police really want us to do this, so yes, we'll do it if you give us one sample. Don't go into a room or into a warehouse and pick up every cigarette butt that you can find. You tell us which one you think the guy left behind. We're trying to get the police to help with that.

With our cold cases, we had a lot of success with the sexual assault cold case squad going back and looking at old cases by getting the police to go through all the old exhibits and pick out the items that are most likely to give us a DNA sample, rather than the way we did it in the old days. They would just bring all the evidence in, put it in boxes, dump it in the lab, and ask us to look after it. So we're trying to get the police to help us with that as well.

Our next initiative is part of what Deputy Newman indicated with the toxicology improvements. We have set up a working group to work with the coroners and the pathologists to get them to be a little clearer about what they need for their tests, rather than saying, "Found dead in bed." Yes, we want to test it. So we do get some of those kinds of things, and we're doing our best to work with the clients to improve on it.

Mr. Phil McNeely: Just one additional question to that. There's no real market check on it from the point of view of the agency that's asking you to do your work. There's no market check on their part to make sure that they narrow it down and make it efficient. This is something that you have to convey to them, that you don't need all of this, that "This is the proper way of doing it." But there's no market check. They don't get a bill for the work you do?

Dr. Ray Prime: They don't get a bill, but they understand—we hear very often that a constable will tell one of our staff that they want her to send something into the lab, but the sergeant wouldn't let them because they know how backlogged we are. There is that kind of a market check, but there's no bill.

Ms. Deborah Newman: I just wanted to add that every police officer, of course, is trained at the Ontario Police College, and in fact, the Centre of Forensic Sciences trains them for this purpose. So I think the training aspect is the best kind of assurance that we can get. The best kind of screen that we can get on the

submission of samples is actually through the training process.

1110

The Chair (Mr. Norman W. Sterling): It's my hope that we can wrap this up in the next 30 minutes. Mr. Ouellette?

Mr. Jerry J. Ouellette: Was that a hint?

The Chair (Mr. Norman W. Sterling): Yes.

Mr. Jerry J. Ouellette: I think the focus on the turnaround time is because of the belief that if it was reduced substantially, it would mean better turnaround time for courts and reduced police costs. If the turnaround time was reduced to 30 days, do you believe that would speed up the court times or substantially reduce policing costs?

Ms. Deborah Newman: To begin, there's no international standard for turnaround time, to say that a certain standard is desirable from a turnaround-time perspective. So I think we start there.

To my knowledge, there have been no delays at the Centre of Forensic Sciences that have caused a court delay, for example. In other words, the CFS will ensure that they generate the results in time for a court appearance. So their turnaround time is not causing delay, in terms of time to trial or processing through the court system.

Mr. Jerry J. Ouellette: So there'd be no change in how quickly court cases would come forward?

Ms. Deborah Newman: That's my understanding. Maybe Dr. Prime could comment.

Dr. Ray Prime: I don't get letters saying that cases didn't get to court. When we had our really bad backlogs, when we had no staff in firearms, for example, and things were taking a much longer time than we've been talking about today, I'd be very naïve to say that wouldn't have influenced some cases. Generally, we know when the case is going to court. If the officer calls and gives us a court date, then that becomes one of our targets, to make sure that we get things out in time for that.

The second part of your question, about whether it impacts an investigation: I think we're finding very real evidence that we are impacting investigations, and we tried to give you some examples of that with the cases we talked about. We can influence some kinds of investigations, and we know that in DNA and firearms there are some real savings to be made on police resources.

Mr. Jerry J. Ouellette: Dr. Prime, your statement that the FBI had a longer turnaround time—there's a large focus on that, obviously, here. Page 65 specifically states: "Our research did not find any other jurisdiction with a target for turnaround times as long as the centre's regular-priority turnaround target of 90 days." So I'm hearing that there are a large number, including the FBI, that do have longer turnaround times, on average.

Dr. Ray Prime: You'll recall we talked about the difference between the actual turnaround times and the targets. I think what you're reading there is that other labs are saying they don't have targets of 90 days. Some other labs do measure productivity the way we have been

doing it, but many labs, in fact the majority of labs in the United States, are not meeting 30-day targets. If they have 30-day targets, they're certainly not meeting them. The FBI data is that they take years to get some of their work out.

Mr. Jerry J. Ouellette: Deputy Newman, during your presentation and your analogy with CSI, I think you mentioned that they have immediate access to the newest technologies. From that, I gathered that there may be a lack of immediate access to the newest technologies at your centre. Is that the case?

Ms. Deborah Newman: We've made some significant investments in technology, and Dr. Prime can probably speak to some of those. We do have to stay current in terms of technology and make sure that we have a reasonable level of technology. Would we say we're cutting-edge? Probably not, but we do stay abreast of current technology and ensure—for example, in ballistics and firearms and so on—that we've purchased some equipment to ensure that the lab is current and progressive and can maintain its status. It is accredited, so we have to ensure that we maintain the kind of standards that will result in renewed accreditation and meeting ISO standards for accreditation. So we have purchased some equipment. It's phenomenally expensive equipment. I'd say that we are current but not cutting-edge; that would be how I'd describe that. Maybe, Dr. Prime, you'd like to add to that.

Dr. Ray Prime: I would just add that compared to some of the small labs in the United States, we are pretty cutting-edge in terms of the equipment. People are not as lucky as we are. We have a very large lab, and that's one thing that is a benefit of a large lab: We do have an arsenal of good equipment.

We also look for ways to get the equipment other than through the Ontario government. We have a very significant partnership with the RCMP. The IBIS technology that Deputy Newman referenced in her opening remarks is fully paid for by the RCMP and supported by the RCMP as a national police service function.

We also have some very dedicated staff. Last year one of our staff put in an innovations project proposal that was successful in getting us a leading-edge piece of equipment that was put into service eventually in the toxicology section.

So we do have lots of good equipment. We could always use more to get more things done. We have mass spectrometers; we've got liquid chromatography systems with dual mass spectrometers. We have some of the bells and whistles that you see on TV, but we don't have some of the things that you see on CSI; they don't work the way they show them working.

Mr. Jerry J. Ouellette: You talk about the RCMP. What forces and services would have access, or what would the catchment areas be for the Soo lab or here or the RCMP? Who could use those services?

Dr. Ray Prime: In Ontario, the Centre of Forensic Sciences provides most of the forensic services to the

province. The Sault Ste. Marie lab is—the term you use, “catching”?

Mr. Jerry J. Ouellette: Catchment area.

Dr. Ray Prime: The catchment area is from Sudbury northwest. That is geographically a very large part of the province but population-wise is about 10%, I believe. The RCMP does not do very much work in Ontario anymore. They used to do work in the Ottawa area, mostly to keep their staff tuned in to real work because the lab in Ottawa is more of a research lab. But now they've changed their system. They do very little work in the Ottawa area, so that work now comes to us. They may do some work in cases that involve federal laws or specific things that the RCMP has jurisdiction for in Ontario or some joint task forces. Even the joint task forces may come to us because it's more convenient for submissions. Did you want me to go into the rest of the country?

Mr. Jerry J. Ouellette: No, just here.

Lastly, there are a number of mentions of other jurisdictions having a fee-for-service model. Would a fee-for-service structure change the priorities as they come in from the various police services? As you mentioned, the staff sergeant said to the officer, “No, you can't, because you know how busy they are.” Would you find a fee for service changing how the priorities come in, and there'd be a lack of them coming in because then they would have to pay for their services?

Dr. Ray Prime: This was looked at in the mid 1990s, around the time of the Bernardo reports. It was looked at in a review that we did in the lab, and it was looked at by Justice Campbell. The conclusion that he drew was that we wouldn't want to have the police deciding the priorities of their cases based on what it was going to cost; it would be a deterrent. It would be unfair to people to have their cases viewed according to how much the police had in their budget for that particular kind of testing. So it was decided that that wasn't a good model to follow at that time.

The Chair (Mr. Norman W. Sterling): Could I just ask you: If a citizen, let's say, was under suspicion in terms of a crime but was innocent and wanted to have DNA taken, can the citizen go to your lab, or is it just the police who can ask for a service?

1120

Dr. Ray Prime: Certainly since the Kaufman days, but before that as well, we have always been open to the defence counsel bringing samples, or bringing work to us, I should say, not necessarily samples. We regularly get a request from defence counsel and through the Innocence Project—you may have heard of the Innocence Project, which is a group of lawyers principally headed by Mr. Lockyer, who is at the Goudge inquiry right now. They will come and ask us to review cases if they think they have reasons to believe the accused is wrongfully incarcerated. We will re-examine the availability of materials and whether there is any value that we can add to the result. We've got several of those cases on right now.

As far as a person who is incarcerated, an average citizen, asking us to do a sample, no, we don't do that, but

we would do it if the lawyers got together and brought it in to us.

Mr. Jerry J. Ouellette: So if an individual, to follow up on Chair Sterling's question, went to a fee-for-service lab and paid for it there, would it be admissible in a court here, so long as it was an accredited lab?

Dr. Ray Prime: Yes, it would be admissible, depending on the judge. The judge would make some decisions on whether or not it's admissible and then what weight to give to that evidence.

Ms. Deborah Newman: I think of interest is that the Centre of Forensic Sciences, because of its international reputation, has been requested on a couple of occasions by US states to actually independently do a DNA analysis on behalf of the state to ensure that there's independent verification of the guilt of an accused person. So that's an interesting development as well.

Ms. Andrea Horwath: Personally, I hope that's not to end up where someone is actually put to death as a result of our verification of their evidence, but that's a whole other story.

I wanted to ask a question following up on what Mrs. Sandals was saying or was questioning around the issue that Dr. Prime mentioned in his response to her questioning, that there might be a situation where on the 60th day more evidence comes in and the report has to be out by day 61. I refer to a piece of information that was provided in our packages. It's from a Globe and Mail story that came as a result of the Goudge inquiry. In there is a quote that says, “To be frank with you, we are aware of certain cases where blood is drawn by the police but the police do not turn it over to the Centre of Forensic Sciences within a reasonable length of time.” Dr. Lauwers is quoted as saying that.

So not dissimilar from my earlier comment about customers and the extent to which the courts might cause delays or cause challenges with your staffing, or if there is a cancellation of a hearing where your people are already there or they're going to be there, is there going to be an attempt to look at these kinds of situations where your report is ready to go, something comes in at the last minute, has to be dealt with and that perhaps would affect a turnaround time or a report being issued in a timely fashion? Is that something that can be part of this, or is it even worth it?

Dr. Ray Prime: I think it ties in with one of the recommendations, again, to look at what the reasons are for the delays. So I think it could tie into that.

Ms. Andrea Horwath: So that would probably be caught in that part of the process? Okay.

We were talking earlier about the pressures and the staffing and all of those kind of issues. I notice in the auditor's report there's a mention of the number of cases—not the number of reports, but the actual number of cases—on the first page of the report. In the 2006-07 fiscal year the centre received over 10,400 cases. I'm wondering if you're at all concerned that the government issued a release around the issue of the new Centre of Forensic Sciences that they're planning on building, indicating, “The new complex will increase capacity,

allowing for more than 2,500 autopsies and 10,000 forensic science cases per year.” So in fact, it looks like the government, in its release around the new state-of-the-art forensic service complex, is expecting a decrease in the volume of cases to be handled. I’m just wondering how you feel about that, if that’s a concern, or if you’ve heard anything from the government that indicates that they’re expecting a reduction in your case generation?

Ms. Deborah Newman: I don’t think that there’s an expectation, in spite of the figure that may have appeared in a news release, that the number of cases will go down. I think the capacity of the new centre will be such that there will be more modern facilities, more space, and an opportunity to work more closely with pathologists and coroners as well, because they’ll be co-located and there’ll be some synergies at the new complex, that there will be an opportunity to ensure that the physical plant has the efficiencies and capacity to process whatever number of cases are received. I think that was a number that was used based, I guess, on current volumes, but I think we would expect the volumes probably to continue to go up.

Ms. Andrea Horwath: So what would the volumes have been? If 2006-07 is 10,400, do you have a figure for what the previous fiscal would have been in terms of cases?

Mr. Glenn Murray: I have the figures here: 9,170.

Ms. Andrea Horwath: So they might have been, in fact, using the previous year’s information, but already, at 2006-07, you’re beyond what the projection was. Do we know when the new centre is expected to be open and operating?

Mr. Glenn Murray: It will be about three years after we get final decision-making about how we’re going forward with the site, so we don’t have final details on exactly when yet.

Ms. Andrea Horwath: We don’t have details on when, but we’re fairly certain that in fact the project will go forward. Is it in the budget? Has it been budgeted for? What’s the process?

Ms. Deborah Newman: It is through the infrastructure planning process. We’ve just had the request for proposals close to hire the architect to do the conceptual drawings. Once we have the drawings and plans done this year, we will then really be able to more accurately cost the project and go back through the annual infrastructure plan process to bring forward the cost. So it is an approved project, but like all capital projects, it’s subject to returning on an annual basis. In the next planning cycle, we’ll have the more detailed costing based on the architect’s drawings from this year.

Ms. Andrea Horwath: So it would not be unreasonable to expect that the actual ribbon-cutting or operation would probably be 2012—four years out, three years out?

Ms. Deborah Newman: I think that’s a reasonable guesstimate. As Mr. Murray said, we think it will be three years in construction from the point of decision when we go back next year with the detailed drawings.

Ms. Andrea Horwath: The reason I’m asking this, obviously, is that if in 2005-06 there were 9,100—right?

Mr. Glenn Murray: That’s right, 9,170.

Ms. Andrea Horwath: —and then in 2006-07 it was up to 10,400 based on this report, and then we have all of these other factors that have been mentioned in the initial remarks, notwithstanding the fact that the auditor’s great work will hopefully find some efficiencies, if you want to call them that, in terms of the work that’s going to be done internally, it looks to me that it’s actually on a trajectory of growth that’s going to far exceed this press release that the government has out for 10,000 forensic science cases. I would hope that the government will be planning for appropriate resourcing. There’s no point in putting an excellent state-of-the-art capital facility in place if their projections for the amount of cases going through it are, in fact, based on numbers that nowhere near reflect what it looks like is going to happen in the future in terms of demand. I would just flag that as an issue. I think it’s an important one and hope that we see the appropriate reaction from the government in that regard.

1130

I don’t know if your plans—and perhaps I should ask this in terms of the drawings and the space requirements, what you’re building in for staffing capacity for the centres. Is that something you have as part of your plans?

Ms. Deborah Newman: Yes, it is. I think our current projections are for up to 400 staff.

Ms. Andrea Horwath: You’re currently at maximum capacity?

Ms. Deborah Newman: We’re currently at 238, so we’re projecting based on historical trends and patterns and the growth that you just talked about, Ms. Horwath, year over year in the number of cases, as well as demographic projections in the GTA, as well as some of the legislative and policy changes that we see potentially coming down the pipe. They would have to be firmed up as time goes on, but those are our projections, for up to 400 staff in the new centre.

Ms. Andrea Horwath: And what would your projections be then in terms of case handling? How many cases? If we’re at 10,400 for now, let’s say out to 2012, what would be a reasonable guesstimate of the caseloads we handle? Or otherwise, looking at it with a maximum amount of staff, what would be the capacity of cases that you would be able to handle?

Ms. Deborah Newman: I don’t have those numbers with me. I don’t know if you do, Dr. Prime.

Dr. Ray Prime: We were asked to project for the 10-year growth and we did that on the basis of the people, not the cases, so we haven’t projected any further cases. There are a lot of other variables that come into it. Just the legislation that the deputy talked about could increase the caseload by more than 1,500 cases next year if we were in a position to accept them.

Ms. Andrea Horwath: Do you turn down many cases?

Dr. Ray Prime: Sorry?

Ms. Andrea Horwath: Are there many cases that get turned down? I didn’t see anything about that in the report.

Dr. Ray Prime: There are some cases that get turned away if they're not things that we can handle. We are considering whether or not we will accept cases as a result of the changes to the legislation right now.

Ms. Andrea Horwath: The federal legislation.

Dr. Ray Prime: That's right.

Ms. Andrea Horwath: The idea being that with federal legislation, perhaps the federal government should be resourcing the needs of making that legislation work?

Dr. Ray Prime: The idea is that if we take it, our turnaround times are going to get worse, so—

Ms. Andrea Horwath: The auditor won't like that. Neither will the committee.

Ms. Deborah Newman: I think we have options to send or refer those cases that flow from federal legislation to the RCMP lab. We do press Canada to provide some associated funding and resources to go with it.

Mr. Glenn Murray: And indeed, we have an agreement with the federal government called the biology case worker agreement, where we're negotiating with them to ensure that they can help us deal with some of the cases that Dr. Prime is speaking about.

Ms. Andrea Horwath: Just closing the loop on this whole area, I find it curious that the release that's on the government's website indicates this figure that really isn't based on any kind of—where do they get these numbers from? Where does the 10,000 even come from? I find it hard to believe that the government would throw out a number without checking or without talking to any of the people who have the numbers, who know this information. Was there any request from the government to give these estimates before announcing what the expectation was for the centre? It just seems so off base.

Mr. Glenn Murray: I'm happy to take that question, Ms. Horwath. If you actually look back to 2003-04, we had about 9,100 cases as well, so when you look back several years there wasn't a lot of growth in caseloads for several years there. At the time that was released, it would have been a reasonable expectation to say there would be 10,000 or more cases, but obviously, as the deputy has indicated, there's going to be a lot more work coming up over this next time period to get a better handle on what the actual number of cases will be. The number of cases, to go back to the question you asked earlier, and being able to manage that, is not just going to be about the human resources we have to handle each case with automation robotics that the deputy and Dr. Prime have spoken about, where more and more we're putting ourselves in a situation where we can handle more cases for every one unit of staff, whether it's the DNA technology that has been spoken about or whether it's the IBIS system we have in partnership with the RCMP.

Ms. Andrea Horwath: So you're suggesting that perhaps the projection is based on older data that are not reflective of the current situation?

Mr. Glenn Murray: I think that would be a fair statement. When we have a chance to come up with a new number, it may be a very different figure.

Ms. Andrea Horwath: Thank you very much. I appreciate your responses.

That's all, Mr. Chairman.

The Chair (Mr. Norman W. Sterling): Yes, but along those lines, could I just ask one question? I see from the estimates that your budget is being cut next year by \$638,000. You're going from \$25.5 million to about \$24.9 million. How are you going to meet the demands with this cut in resources?

Mr. Glenn Murray: Chair, that's true. As a result of a number of general constraints in government, our budget was reduced by the amount that you indicated. The way that Dr. Prime and his staff are dealing with that is, they're taking a number of measures, looking at staff training in the first year and if there are different ways we can offer that training; looking at equipment, we've talked about before, in terms of purchasing things next year versus this year. We've also done a little bit of vacancy management, obviously not for urgent cases. Of course, it was a challenge for the Centre of Forensic Sciences. We're meeting that challenge this year. It will be challenging to sustain that in the future.

The Chair (Mr. Norman W. Sterling): I guess the other question I had for Dr. Prime was out of Mr. Ouellette's questioning and the deputy's remarks. We're not on the cutting edge with regard to equipment. What kind of a capital budget would be required in order to put us on the cutting edge?

Dr. Ray Prime: Right now we're spending somewhere between \$1.5 million and \$2 million a year, I think, on major equipment. We're being asked to develop capital plans to turn that over in a more businesslike way. In order to do that, we'd be looking at changing the cycle of refreshing instruments, and we haven't made any estimates of what that would be right now. Right now, we keep instruments in service for as long as possible, rather than putting a fixed term, for example. We have an X-ray diffractometer that still works after 16 years and we're quite happy with it. We haven't put any work into assessing that yet.

Mrs. Laura Albanese: Thank you for the quality of work you deliver. Many of my questions have been answered. However, I had a curiosity. Before, in the conversation, I believe, with Mrs. Sandals, you mentioned that before new evidence came in and it was analyzed, the technologists would call the police officers and ask if it was still needed. I'm just wondering if there would be a better way to coordinate with the police officer if evidence is not needed, if they could advise you, if there is maybe not a process in place for that.

Dr. Ray Prime: No, that wouldn't be a better way because oftentimes the investigators change, and once an investigator goes off a case, then the next person coming in wouldn't necessarily know, or our people might not. So I think it's better for us to make the calls. We are looking at developing some Web-based tools down the road for communications and, when that happens, that might be something we can build into that system. That's something that's probably going to be initiated by this summer, but we need a secure website that the police

have access to. We are developing a way to get on to their website. That might help, but generally it's the direct contact that we find is the most useful.

Mrs. Laura Albanese: Okay. Thank you very much.

The Chair (Mr. Norman W. Sterling): Mrs. Van Bommel?

Mrs. Maria Van Bommel: Thank you very much, Mr. Chair. Just a question that I thought came out of Ms. Horwath's comments about the new site. You have currently sites at Sault Ste. Marie and Toronto. One is certainly a difference in size from the other, but are there differences in what they can do or are they all just replicas of each other, in just a smaller version? Would there be any efficiencies in having sites do specialized work? We talked about the Innocence Project, that one of the sites did all the Innocence Project-type of work. I'm just wondering if there are efficiencies in having specialization at each site.

Dr. Ray Prime: We might be in a better position to answer your question in three or four years because the RCMP has a system of six labs across the country and they're trying this model whereby, instead of having a full-service lab in each location, they might offer two or three services. The police certainly don't like that. We're hearing that message back that when there's a crime in Vancouver they have to send the DNA test to Halifax. I think the jury is going to be out on this. They're the only system that's doing this right now and it's exactly for the reason you suggest, that it might be a way to bring some efficiencies.

In terms of what our lab in Sault Ste. Marie does, they do mostly the same kinds of routine work that we do.

There is a need for it to be a critical mass to be able to do that. So we have increased the size of the lab from when it was first built—sorry, the size of the staff from when the lab was first opened. Most of the work that they do is comparable to what we do in Toronto. We have a few specialized areas that we haven't talked about here, one of them being engineering, for example, and we have a geologist who does soil work. Those are things that we haven't introduced into that lab because they're very specialized.

The other service that we don't have there is the questioned documents area, which is one of the kinds of evidence that's easiest to ship around and move from one place to another; so we didn't develop that expertise in that lab.

If I've answered your question, I'll leave it there.

Mrs. Maria Van Bommel: That's fine. Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. I'd like to thank all of you for coming here today. It's enlightening for all of us to hear more about you. I just think you should re name it CSI Ontario or something like that and you'll get a bigger budget next year, Doctor. Thanks very much for your attendance.

For members of the committee, we'll now adjourn the formal part of the meeting, and we'll meet in a few moments to talk to our researcher to give her some ideas as to what we would include in our report. There are some sandwiches down in room 1, so we'll go down and get them and bring them back here.

The committee continued in closed session at 1142.

CONTENTS

Friday 22 February 2008

2007 Annual Report, Auditor General:

Section 3.02, Centre of Forensic Sciences	P-37
Ministry of Community Safety and Correctional Services	P-37
Ms. Deborah Newman, deputy minister	
Dr. Ray Prime, director, Centre of Forensic Sciences	
Mr. Glenn Murray, assistant deputy minister, public safety division	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

A26N
(C21
P72



P-4

P-4

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 20 March 2008

Journal des débats (Hansard)

Jeudi 20 mars 2008

Standing committee on public accounts

2007 Annual Report,
Auditor General:
Ministry of Community Safety
and Correctional Services

Comité permanent des comptes publics

Rapport annuel 2007,
Vérificateur général :
Ministère de la Sécurité
communautaire et des
Services correctionnels

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 20 March 2008

Jeudi 20 mars 2008

The committee met at 0940 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF COMMUNITY SAFETY
AND CORRECTIONAL SERVICES

Consideration of section 3.11, Ontario Sex Offender Registry.

The Chair (Mr. Norman W. Sterling): Good morning. My name is Norman Sterling. I am the Chair of the public accounts committee. We have invited today people from the Ministry of Community Safety and Correctional Services. I also note that Julian Fantino, the Commissioner of the Ontario Provincial Police, is here with us as well.

Just to explain the process a little bit, prior to your coming into the room, we go over a report which has been prepared by our researcher with regard to the issue, and we have talked, of course, with the Auditor General, Mr. McCarter, who is sitting to my left, in order to just go over where the progress has come since he wrote the report. It's normal for us to give an opportunity to the deputy minister to have an opening statement.

I would say to the Deputy Minister: You may want to introduce some of your delegation as well. I now turn this over to you, Deputy Minister, to go forward.

Ms. Deborah Newman: Good morning, all. My name is Deborah Newman. I'm Deputy Minister, Community Safety and Correctional Services. On behalf of the ministry, I wish to thank the public accounts committee for this opportunity to address the 2007 annual report of the Auditor General regarding the Ontario sex offender registry.

Joining me today are OPP commissioner Julian Fantino and deputy commissioner Vince Hawkes. Behind us are chief administrative officer and assistant deputy minister Allan Gunn, assistant deputy minister Laurie LeBlanc, OPP bureau commander John Tod, OPP Detective Sergeant Scarlett Graham-Krajcir, and additional colleagues from the ministry and the OPP.

I'd like to begin by thanking the Auditor General for his constructive observations and recommendations. In particular, his recognition of the dedication and diligent efforts of those ministry staff who worked to create the registry was especially meaningful to us. In addition, he

noted that the team had worked cost-effectively over the last six years—rare recognition and high praise from the Auditor General.

Community safety is paramount to all of us: the police, the citizens of Ontario and the government. Six years ago we couldn't track convicted sexual predators because there was no registry. Now convicted offenders are being tracked. Six years ago we didn't have a compliance rate because there was no registry. Now we have a sex offender registry with 95% compliance—one of the highest rates of any sex offender registry in North America. We remain committed to reaching 100% compliance. Our ministry is proud of its commitment to enhance community safety. By giving law enforcement agencies a reliable and effective electronic tool in the Ontario sex offender registry and the support services to track sexual offenders in our communities, we improve the investigation of crimes of a sexual nature. As we work to advance this important investigative tool, I would like to assure the committee and the Auditor General that Minister Bartolucci, myself, OPP Commissioner Fantino and ministry staff are committed to implementing all of the report's recommendations. In fact, we've already made many changes, and I'll be pleased to talk about those shortly.

Before doing so, I'd like to provide some context for the critical role the registry plays in protecting children and adults in communities right across Ontario. The OSOR, Ontario sex offender registry, is accessible to all municipal police services in the province, First Nations police services and OPP detachments. On average, the registry is accessed 400 times per day. As of March 4, 2008—a snapshot—8,115 offenders were entered on the OSOR with their footprint information. Of these offenders, about 5% do not comply with the legislation, which means that they have not registered with local police or they haven't reported an address change; they're not compliant with the requirements of the registry. The police are making efforts to apprehend them through investigative efforts and in some cases through warrants.

As Toronto police chief Bill Blair has previously noted: "Police across Ontario have come to rely on the registry as an important tool in investigating sex crimes." Let me tell you about just one example of the value of the Ontario sex offender registry. York Regional Police were dealing with a report of a sexual assault on a store clerk. Police used the registry to do a search for a suspect with

a similar MO. They were able to isolate a previous offender who had a similar repeated pattern of behaviour to the one they were investigating. This led to further police investigation and directly to a photo lineup. The end result was, the offender identified through the registry was charged with sexual assault and subsequently convicted. The police would not even have known the offender was in their community without the OSOR. Many other police services tell of similar examples demonstrating the effectiveness of the registry.

Legislation recently introduced in December 2007 by Minister Bartolucci would make the Ontario sex offender registry even more effective. Bill 16 introduced amendments to Christopher's Law that, if passed, will allow police to track more sex offenders in the community and help keep Ontario safe.

0950

The new legislation would, if passed:

(1) Require sex offenders serving an intermittent sentence to register within 15 days of sentencing.

Currently, they are not required to report until they have completed their intermittent sentence.

(2) Require that all those who are released on bail pending an appeal in relation to a sex offence register within 15 days of being released on bail.

Currently, such persons are not required to register pending the outcome of their appeal.

(3) Third, require police services to notify the registry immediately if they receive notification from a mental health facility that a person who is not criminally responsible for a sex offence on account of mental disorder is being released from the facility unsupervised; for example, on a day pass.

Currently, such persons are not required to register until they've completed their custodial sentence and been given an absolute or conditional discharge.

Additionally, Bill 16 would require provincial correctional facilities to notify the registry of all sex offenders who are released from a correctional facility on an unescorted temporary absence pass 24 hours prior to that pass. Currently, such persons are not required to register until after they've been released, having served the custodial portion of their sentence.

The Ontario sex offender registry came about as a result of the tragic abduction and murder of 11-year-old Christopher Stephenson in June 1988 at the hands of a convicted pedophile on federal statutory release. At the 1993 inquest into Christopher's death, the coroner's jury recommended creating a national registry for convicted sex offenders, requiring them to register with their local police service. With the encouragement and support of the Stephenson family, victims' groups and law enforcement organizations, Christopher's Law was proclaimed on April 23, 2001, making the Ontario sex offender registry a reality.

Ontario was the first, and remains the only, province in Canada to have its own registry. It requires sex offenders convicted of criteria sex offences to register with the police service in their area of residence. Christopher's

Law represents a vital step in fighting crime, protecting vulnerable children and adults, and safeguarding our communities.

The OSOR is a provincial registration system, administered by the Ontario Provincial Police. The registry has an annual budget of approximately \$4 million, of which \$1 million is dedicated to system developments, improvements and maintenance. Currently, it is staffed by 11 police officers and seven civilian personnel and continues to be supported by a ministry working group.

When Christopher's Law was proclaimed, it was a natural fit to be housed under the umbrella of the behavioural sciences section of the OPP. The section is well established, with the infrastructure and trained and experienced personnel to deal primarily with violent crime and deviant criminal behaviour.

During the OSOR registration process, police enter information on these individuals into the application, which is far more than just a database. The registry includes such information as name, date of birth, current address, current photograph, and particulars of the sex offence for which the offender is responsible. This pertinent information is critical when used as a tool to help recover abducted children, because research shows that any delay during the investigation of a child abduction for a sexual purpose is vital. Time is critical.

The work of the registry begins at the time an offender is charged with a criteria sex offence. The police then notify the offender, when charged or convicted, of their duty to register. The police are then responsible for ensuring the offender's tombstone data or footprint information is entered into the registry. However, this entry is done automatically if the offender is incarcerated or detained provincially. The offender is then responsible for registering 15 days after they are convicted or released from custody. Police then verify an address of the offender once they register.

As administrator of the OSOR, the ministry is responsible for operating the registry and for developing guidelines for its use to assist police. The police are responsible for registering the offender, and the offender is responsible for going to the police and providing the required information. It's important to know that the public does not have access to the OSOR, but the police can make a determination under the Police Services Act to disclose information in certain circumstances. The registry has been used many times to identify when sex offenders who have a risk to re-offend position themselves so that they are living with or have access to children. The police, during an address verification of a sex offender who has been identified to them in their community, can now make a determination of a child in need of protection.

It's difficult to measure the value of offences that may have been prevented. As a result of the success of the registry, the Ontario government and police agencies identified the need to establish a national sex offender registry. When the national sex offender registry was enacted on December 15, 2004, it quickly became apparent

to police services that the legislation was lacking when it came to being used as a proactive investigative tool. The benefits of Ontario's registry became even more apparent as the two registries began the process of aligning the information contained within their systems.

One of the most glaring examples of the federal agency's limitations is that in Ontario, when a person is convicted of a criteria sex offence, they are automatically included in the registry. Under the national registry, a judge at the time of conviction must order the offender onto the registry. Since the inception of the national registry in December 2004, there have been 3,679 people convicted in Ontario for a criteria sex offence, but of those, only 1,853 were ordered onto the national registry. That's only a 50% rate of potential offenders being added to the national registry. Ontario captured all of those offenders into the Ontario sex offender registry.

That's what makes our registry such a powerful investigative tool for police services. It lets police services across the province know who the sex offenders are in their community and in turn lets them determine who are most dangerous before a crime is committed.

As I noted at the start of my remarks, we have welcomed the Auditor General's recommendations and we're addressing the concerns that have been raised. Indeed, we have already implemented many of the auditor's recommendations.

Those offenders identified by the Auditor General as missing from the registry have now been investigated. Those who should have been registered are now on the registry.

We're working closely with other provinces and the federal government to improve the effectiveness of the registry.

As of March 2008, all offenders who can get mail will receive an annual letter to remind them to go and register.

The Auditor General recommended that to help improve the usefulness and accountability of the registry, the OPP should ensure that all funds approved for registry purposes are actually spent on registry activities. The ministry is confident that the money allocated to the maintenance and improvement of the registry is now being fully spent on the registry.

As mentioned in the report, the best practice of serving offenders with the notification of their obligations of duty to register if they are convicted of a criteria sex offence was not found in the original legislation. It was subsequently developed as a best practice to help ensure program success. The auditor echoed this, and we are now taking steps to improve upon the processes that are followed by looking at the feasibility of introducing legislative or other amendments to ensure that reasonable efforts are made to serve the notice of duty to register to all convicted sex offenders at the appropriate time. Offenders who enter into the federal correctional system or the mental health system are served the notice of duty to register by the officers in the sex offender registry.

In response to the Auditor General's recommendations for improving the registry's usefulness for quickly iden-

tifying potential suspects, the ministry is looking at better use of other data sources. This includes sources such as the Correctional Service of Canada for federal offenders and the Ministry of Health and Long-Term Care for offenders who are not criminally responsible.

1000

In addition, the OSOR application was enhanced in December 2007, making it possible to search and filter data by victim, gender, age, relationship to the offender and location of past offences. We're also developing a process with provincial corrections and provincial courts to ensure that all offender records are obtained. Initial meetings have been held with the registry and corrections, where both systems and processes were reviewed. The ministry has also been working with the Correctional Service of Canada to address concerns relating to data transfer regarding federal offenders. Specifically, the ministry has been working to develop an electronic interface between the Correctional Service of Canada and the OSOR. The initial phase of that was completed in December. We will continue to work with our federal counterparts to ensure that the necessary electronic interface is robust.

The ministry is also examining the feasibility of introducing legislative or other changes to track the movements of offenders moving into and out of the province. Currently, when a reminder letter is returned to the registry, the offender's record is updated to reflect this. When this is done, it automatically advises the police jurisdiction where the offender lives that this has occurred. The ministry's policing standards manual contains a guideline with respect to the sex offender registry. We're reviewing this guideline and we'll update it to incorporate the amendments in Bill 16, if passed, in consultation with police stakeholders. As part of the legislative process, the ministry will be assessing whether there are additional amendments that could be made if an opportunity arose at standing committee, which would provide police with additional tools to follow up on non-compliant offenders. The Police Services Act requires the ministry's quality assurance unit to provide advice to police services on the management and operation of police services, which is done routinely. In response to the auditor's report, the unit now regularly communicates with chiefs of municipal police services on their compliance rates and strategies to reduce non-compliance.

We're going beyond the recommendation of the Auditor General regarding the deletion of offender records by reviewing all prior deletion records to ensure that each and every deletion has supporting documentation. We've also had discussions with the federal parole board on developing a protocol for the provision of parole revocations to the OSOR.

The OSOR continues to consult with its police partners for ways to improve the investigative value of the program—for example, the unit partners—and consults with other existing programs, such as the child pornography section of the OPP, which leads the provincial strategy against the sexual exploitation and abuse of

children on the Internet and includes members of 18 other police agencies across Ontario.

We've also taken several steps towards improving the usefulness and accountability of the registry, as recommended in the report. We're providing dedicated training and support to local police services, which we continue to enhance. In addition, the registry is working with the ministry's technology partners to enhance the system's application.

In response to the recommendation regarding the effectiveness of the registry, the OSOR team is working to develop program outcome measures with support from our strategic planning and research branch. The performance measures will also give the registry a way to track how often the OSOR is used by police to help them investigate a crime and whether it contributes to the successful resolution of a sex offence.

Performance measures related to data integrity, support provided to services during investigations, training and database improvements are also under development. This information will support evidence-based decision-making, further enhancing the effectiveness of the registry.

In closing, I hope this information on the Ontario sex offender registry and the work that we're doing to address the recommendations in the Auditor General's report has been helpful to the committee. As I noted at the beginning, community safety is paramount to all of us. The Ontario sex offender registry today remains one of the most effective ways of tracking convicted sex offenders in our communities.

Thank you for the opportunity to speak. With the Chair's and the committee's indulgence, I would like to turn it over to Commissioner Fantino to make a few comments.

Mr. Julian Fantino: Thank you, as well, for the opportunity to appear before you.

I would be remiss if I didn't at this time introduce Mr. Jim Stephenson, who, along with Mrs. Stephenson, has been a constant stalwart in trying to improve safety for vulnerable people. They are very much the genesis, as you probably know, Chair, of all of this long trek to bring the sex offender registry to where it is today, and I want to thank them publicly for their constant and ongoing interest and support in very difficult circumstances.

I want to thank the Auditor General, as well, for the work that the audit team did throughout the audit of the Ontario sex offender registry program and for the very sage, wise and helpful recommendations that then followed. We believe that the audit was and is a very positive aspect of our improving what we do and the way we go about doing it. It will make us even stronger and better in our efforts to protect vulnerable people.

As was mentioned by Deputy Minister Newman, prior to April 23, 2001, there was very little assistance offered to front-line police officers who were faced with investigating a missing child or a sex offence, let alone finding out who in their community had offended sexually.

The Ontario sex offender registry was developed from scratch. That's something that I wish to underscore. This was not an off-the-shelf undertaking. This was developed by our people through a whole lot of due diligence and a whole lot of work. They, too, are to be commended for their efforts, which are ongoing, by the way, as we speak.

We obviously consulted far and wide. We networked with stakeholders. We built it from scratch, as I said. Much of the support that went into what we now have today has been, really, the encouragement from the Stephenson family, as we speak.

Today there is accurate, current information that can be accessed not only in reaction to a crime, like we have with the national sex offender registry, with its limitations, but it's much more advanced in terms of its effectiveness for us. Although the information contained on the registry is not for public access, the police services can use the authority in the Police Services Act to release information about high-risk sex offenders to the public en masse or to an individual who isn't aware that the person they just met may pose a risk of harm to them or, as is often the case, their children.

Unlike the national sex offender registry, which can only be accessed after a crime has been committed, Christopher's Law allows the police to put in place offender management policies and access the information not only in their jurisdiction but in others, as well, regardless of what type of records management system they have in-house. Specifically, the preamble to Christopher's Law provides for all police forces in Ontario to have access to the information on the Ontario sex offender registry in order to assist them in the important work of maintaining community safety. In addition, police services have access to the information and investigative tools of the Ontario sex offender registry in order to prevent and solve crimes of a sexual nature. Police use the registry to make sure they know where the registered sex offenders live, work and volunteer in their police jurisdiction.

1010

Christopher's Law gives officers direction to verify an offender's reported address as well. A police force can verify an offender's reported address as frequently as necessary, and can base their decision on their determination of the level of risk that the offender poses to re-offend. They have authority under the Police Services Act to disclose information on an individual to the public if they determine that the offender poses a risk to public safety.

Should a sex crime be reported to a police service, the investigator has direct and immediate access to the registry and can enter the offender's description. A suspect list is provided, enabling the investigator to commence their investigation immediately based on a list of known, convicted sex offenders. This is a reliable indicator of future violence, as it is with respect to past behaviour.

Just as a by-the-way, when we had the two very brutal murders of Cecilia Zhang and Holly Jones, we made extensive use of the registry, and it was an invaluable tool

for us. There are many other success stories that I can enumerate, as recently as yesterday.

It has been made available to all police officers in Ontario at their work locations. It is easy to use and a one-stop shop where they can register individuals for the Ontario sex offender registry as well as the national sex offender registry, so they don't have to do two separate registrations.

The audit has been very helpful and has caused us to look at other areas funded within the organization. Not only have we corrected the Ontario sex offender registry funding issue; we have gone beyond the auditor's recommendations and have put in place very stringent safeguards for all of our MB20 funding allocations. We have a process in place today to ensure that all approved funds are used exclusively for that approved initiative.

The OPP fed into the audit many of the issues that we have already identified as system upgrades. His acknowledgement that there were things which needed further focus is validating and important to us. The auditor will help us prioritize our enhancements to an already sound and useful investigative tool.

The national sex offender registry and the Ontario sex offender registry interface was disconnected arbitrarily at the national level. We have taken the lead with the Royal Canadian Mounted Police regarding the link being re-established to correct the data transfer issues. We're driving this fix and we're establishing a lead in the steering committee and working group with the RCMP to address the building of an interface between the two registries. This will provide for a direct and immediate link between the two registries that will make it possible for offenders who are on the Ontario sex offender registry and have been served a form 52, which is their notice, to automatically upload onto the national sex offender registry.

Without belabouring this point, the deputy is quite clear in stating that as far as we're concerned and in a relative comparative sense, the national sex offender registry is only about 50% as effective as our own provincial registry. This is an issue that has to be looked upon because of the transient nature of many of these offenders. The fact is that in this world today, there are no boundaries or jurisdictions, and we need to be better able to track the movement of these individuals.

I will be taking some recommendations to the Canadian Association of Chiefs of Police and hopefully forward to Minister Nicholson and Minister Day to see if we can get this issue sorted out with a much more robust, appropriate and effective national sex offender registry, which is really badly needed.

I won't go into a whole lot of what we're doing, other than the fact that we have put in place a number of people who are helping us reconnect with the national sex offender registry. The disconnect happened not because of mischief or ill will; it just happened because of the overwhelming information that the Ontario sex offender registry manages that was not in keeping with the capacity of the national sex offender registry to input

all that information. So there had to be a disconnect, and we're working on making that connection again so we can be much more effective right across the country.

There are a lot of other things that we do in our registry that are absolutely critical. When you talk about technology today, it's a great enhancement for us. We went to a lot of the geomatics—for instance, to look at scanning areas and looking at mapping and so forth. These are all areas within the Ontario Provincial Police that are not really part of the registry, but we draw on many different areas within the Ontario Provincial Police to actually support the work of the registry, and this is all good stuff.

There's also, if you recall, the excellent work that was done by Mr. Justice Campbell that resulted in the ViCLAS system and all of those kinds of issues. We need to be better able to coordinate some of those. I'm also an advocate that the Ontario sex offender registry should be made a mandatory requirement by all police services to absolutely make this a 100% compliance situation, such as we have with ViCLAS. There's work to be done, and we're moving towards all of that.

It begs to say as well that much of the technology and the automation capabilities of the Ontario sex offender registry and the enhancements that we're constantly improving on will enable us to realize significant savings in terms of dollars spent to manage and support the registry. So we're creating efficiencies as we speak.

The Ontario sex offender registry system was offered to the federal government to use as a basis for the national sex offender registry. With only minor modifications, it is capable of capturing any address in Canada and would be accessible to all police officers in Canada to respond to crimes of a sexual nature. This would truly be a national strategy which I strongly believe should be adopted.

As you know, there was extensive reporting on the national sex offender registry by the media, and all that can do is raise the awareness of how much more work we need to do to truly make the registry a national initiative intended to protect children and vulnerable people right across this land.

The national sex offender registry does not record an offender's next reporting date, nor does it provide an indication of whether the offender is compliant or non-compliant. The national system does not have a readily identifiable location to confirm that an offender's home address has been verified. The system does not capture all sex offenders convicted of a criteria offence, as was stated by Deputy Newman. In order to go on the national sex offender registry, there has to be a judge's order to do so. We don't have that issue. Currently in Ontario, as was stated, 100% in Ontario would qualify, but only 50% for the national registry.

The deputy mentioned numbers, so I won't repeat those, but nonetheless, it's real-time entry and tracking of compliance, and we need to have some upgrades with the national registry. The enhanced enforcement provided by the federal legislation respecting non-compliance offers

police a Criminal Code charge for those offenders on both the national sex offender registry and also the Ontario sex offender registry. The police can access the information immediately and there can be criminal charges laid where there is non-compliance.

Working towards a December 2008 implementation, we are confident that our work with the Royal Canadian Mounted Police will result in very positive outcomes.

As was stated, the Ontario sex offender registry compliance rate is over 95%. In actual fact, it's 100% at our end. We are satisfied that 100% of those people that need to be on the registry and should be on the registry are actually registered. The 5% anomaly are people that still have to be tracked down and, for one reason or another, have not kept up with the notification of changes of address or have moved on, or for whom there are now warrants because of their breaches of the provisions. That's another area where we will be working very closely with our partners in law enforcement right across this province to ensure that we absolutely arrive at a 100% compliance, not only on the registry issue but also on the issue of follow-up investigations at the local level.

1020

I could go on for a long time, but I just want to leave you with the bottom line: As I speak today before this committee, I can assure you and the public that all offenders who should be on the registry in Ontario are actually on the registry, and the only anomaly that I spoke of is that which needs a little bit of investigative work to follow up on those who are not 100% compliant. Thank you for the opportunity to share these thoughts with you.

The Chair (Mr. Norman W. Sterling): Thank you, Commissioner, and thank you, Deputy Minister. On behalf of the committee, I'd like to welcome the Stephenson family here, who of course have been very, very much involved in this issue for a long period of time.

There's one question that bothers me most; that is, when somebody leaves Ontario—and there are 50% of these people who are not on the national registry—what obligations are there on the police or the OPP to notify Manitoba, BC or Nova Scotia that they have a sex offender coming their way?

Mr. Julian Fantino: We do that as a matter of co-operation and working together. But clearly, with the national sex offender registry that exists today and the fact that other provinces do not have provincial sex offender registries, it's basically left to this co-operative working relationship that we have between us, where we would make the phone call, where we would give a heads-up, as they would with us. But there's nothing formal.

Your question is a really good one, because if we truly had a like model nationally, those issues would be a non-event. It would be transparent. The notification would be transparent; it would be done as a matter of routine.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette.

Mr. Jerry J. Ouellette: Thank you for your presentation. To follow up on Chair Sterling's question, what

happens with cross-border? When a convicted offender leaves New York state and comes here—they have a registry there—is there any notification to Ontario?

Mr. Julian Fantino: In some cases there is, but there is a requirement on the sex offender to register. The onus is on the sex offender coming into the province to register.

Mr. Jerry J. Ouellette: How would they know they would have to register if they were convicted in New York state?

Mr. Julian Fantino: Well, it goes with one's being self-educated, I suppose. We do get a heads-up on people coming and going across borders and jurisdictions, but the onus is on a sex offender coming from elsewhere, and that's where Bill 16 is tying up loose ends. It puts the onus on the actual offender to make sure they register. If they were convicted of a sex offence overseas, for instance, they would be required to register. I suppose your question is a good one: How does that happen? It's being self-educated and aware.

We do get information between agencies—INTERPOL and so forth. For instance, we work on this whole trafficking of child pornography—the making, distribution and consumption of child pornography—and a lot of that work is done through INTERPOL. We have, surprisingly enough, sex tourists, who leave Canada to go overseas to different countries to abuse children and engage in sexual victimization of children. There's a lot more networking, but to your specific question, there's no specific method by which we can transfer that information between agencies, other than the co-operation that exists between us.

Mr. Jerry J. Ouellette: Would it not make more sense to have the registration of individuals automatically done by the courts once a conviction has taken place, as opposed to the individual doing the registration?

Mr. Julian Fantino: Well, the notifications are done by the court. We're talking about individuals who come into the province from, say, the United States or overseas. But the courts do make the notification. It goes through Corrections, and we get that notification formally from the court system in this country. In the case of a national registry, the notification is only made once a judge orders it, which I think is a big flaw.

Mr. Jerry J. Ouellette: Yes, I believe so.

We heard statistics by the deputy that said there's an average 95% compliance within the forces. What would the low end of that scale be, in order to achieve 95%? Obviously there are ones that provide 100% compliance, but there must be some forces that do not. How far on that scale are they?

Mr. Julian Fantino: As I recall, the numbers—I have them here—the lowest, I believe, is about 80%, but the explanation there is that they're tracking people down. They're chasing people down or they just don't know where they are—those kinds of things.

Mr. Jerry J. Ouellette: Okay. What happens when an individual doesn't re-register—they have to register on an annual basis?

Mr. Julian Fantino: They are in contravention of the act, and penalties are provided.

Mr. Jerry J. Ouellette: Are there actions taking place? Do we have any convictions of individuals who are not re-registering?

Mr. Julian Fantino: Yes. They're pursued, and charges are laid for non-compliance.

Mr. Jerry J. Ouellette: Some of the issues with vulnerable persons checks—I know you don't have to register until after you have been released. What is the onus to register for individuals who serve weekends under provincial offences, and how would that apply for vulnerable persons checks?

Also, other jurisdictions are doing vulnerable persons checks for agencies in Ontario. For example, one I know of in Nova Scotia is providing a service in Ontario. A company has contracted them out. What access to that information would the forces in Nova Scotia have to check to make sure that when they're providing a vulnerable persons check, they can look into the information?

Mr. Julian Fantino: Vince?

Mr. Vince Hawkes: The one advantage of the sex offender registry is that all police agencies will have access to it; so all of our partners across the country would be able to tap into our system. The police agency in Nova Scotia would be able to contact our sex offender registry folks and access that to verify the address, to ensure that that happens.

In a case where there's an issue about an individual's address, it's up to the local police department to attend at that residence and verify that the person is actually living at that address itself. Then, if there is any violation, that's when the investigative part continues and gets initiated in order to identify where the individual is. It's all tied in to that and to our partnership.

Mr. Jerry J. Ouellette: That answers my questions.

Ms. Deborah Newman: If I could just add, I think the first part of your question was in relation to offenders serving intermittent weekend sentences. Currently, they're required to register 15 days after the completion of their intermittent sentence. Bill 16, if passed, would require them to register within 15 days of beginning their intermittent sentence.

Mr. Jerry J. Ouellette: Would a vulnerable persons check identify that when they do that? It's a different system for a vulnerable persons check; it's for notification.

Mr. Vince Hawkes: Yes, that is a different system. If the individual is on the sex offender registry and is required to check, that's when we can—

Mr. Jerry J. Ouellette: Yes, but they don't have to register until 15 days after, according to the deputy. So when somebody is making application to participate in activities with kids, they wouldn't have to register until 15 days after, but would a vulnerable persons check—because they also don't just deal with convictions; they also deal with charges. Would that information be found on there?

Mr. Vince Hawkes: Once the individual is charged, then they get access. That information goes onto the registry. The gap is where you just mentioned and the deputy mentioned: If the individual is on an intermittent sentence, they're actually not compliant at that point. The intent of Bill 16 is to fill that gap to ensure that those who are out on intermittent sentences are actually on the registry so they can be accessed immediately.

Mr. Jerry J. Ouellette: Thank you.

The Chair (Mr. Norman W. Sterling): Am I correct in assuming that everybody who is on the federal registry and is presumably in Ontario, is on the provincial registry?

Mr. Julian Fantino: If they are in Ontario, yes.
1030

The Chair (Mr. Norman W. Sterling): So technically that would be the case. There might be some slippage in terms of—

Mr. Julian Fantino: Yes. In other words, all of the folks who are on the national registry and who have anything to do with Ontario would be on the Ontario registry.

The Chair (Mr. Norman W. Sterling): Mr Zimmer.
Interjection.

Mr. David Zimmer: Thank you. At page—

Ms. Andrea Horwath: Sorry, David. I thought it was a rotation.

The Chair (Mr. Norman W. Sterling): It depends who catches my eye first.

Mr. David Zimmer: I just get the sense that there's a lot of confusion between the provincial and the federal systems. I noted that page 258 of the auditor's report has some statistics down here. He says that under the Ontario sex registry plan, as of January 2007, there were 7,400 registrants. Now, Ontario's got a population of 12 million. I note that for that same figure for the national plan, there were 9,400 registrants. We know there are 31 million people in Canada, so there seems to be a disproportionate number of folks in the Ontario registry compared to the federal system.

Then I look at the requirements. In the Ontario system, all Ontario residents convicted of a designated sexual offence anywhere in Canada are registered, but the registration is left up to them. The convicted person has a duty to register. In the federal system, it says, "any Canadian resident convicted of a designated offence and"—this is the wrinkle, in addition to being convicted—"ordered by a court to register."

Mr. Julian Fantino: Yes, sir.

Mr. David Zimmer: So there must be a lot of cases in the federal system where there's a conviction and the judge has exercised the judge's discretion to order a registration or not.

I have two questions that flow from that. One, to the deputy or whoever can answer it: After there's a conviction in the federal system, what's your experience or what's your sense of why a judge would exercise a discretion not to order a registration? That may account for some of the numbers.

What I want to stress as well is that although those allocations were dedicated to the sex offender registry and they should have been expended in that regard, whatever was used elsewhere was pretty legitimate, must-do kinds of things that were not being resourced otherwise. Nobody went home with any nickels. It was all monies diverted to other pressing issues within the Ontario Provincial Police.

The other thing I wanted to address to your question directly, and it's a good question that you ask, is that some of the monies that were, in a technical sense, diverted from the actual sex offender registry went to entities within the Ontario Provincial Police that actually supported the sex offender registry, to make it more efficient, more effective. But there were funds allocated to things like national security—that at the time was a significant pressure that had to be funded somehow—and the decision was made—right, wrong or indifferent, at the time, but I believe with honesty and integrity—that that's how things would be done.

Ms. Andrea Horwath: Okay. Can I just ask, when you say “deputies” at the commissioner's council, deputies of the day, are we talking ministry deputies or we're talking—

Mr. Julian Fantino: No, we're talking about OPP deputies, deputy commissioners.

Ms. Andrea Horwath: Then is there a notification process that the OPP has or that the commissioner's council has that then informs the ministry that the dollars that they are expecting to be used for these purposes are not and in fact they're being spent elsewhere? Is there an accountability process?

Mr. Julian Fantino: That was not done. It is done now. All of the funding now that's allocated to different initiatives—all of that now is fenced. There's no transfer of funds out. We've taken all of those corrective measures, not only with the sex offender registry but all other like-funded initiatives within the OPP. Clearly, in that time there wasn't that accountability back.

Ms. Andrea Horwath: All right. But that's in place now?

Mr. Julian Fantino: Yes, it is. Absolutely, yes.

Ms. Andrea Horwath: Because I know that the minister, when bringing the bill forward, in his remarks said very specifically that all monies to be allocated to the registry will be used for the registry. That's what I was trying to get at. What's different now or what's being put in place now to ensure that that actually is the case?

1050

Mr. Julian Fantino: Those are now untouchable funds, but for the specifics of the mandated funding allocation. If there's any movement of those funds, I have undertaken, obviously, and put processes in place that that will be documented and accountabilities given and approvals sought before any monies are moved.

Ms. Andrea Horwath: All right. So, then, you can pretty much guarantee at this point in time that—I guess I should ask and not assume. Would it be safe to say, or is

it the case currently, at this moment in time, at this snapshot moment, that all dollars currently allocated for operation of the sex offender registry unit are being used for that purpose?

Mr. Julian Fantino: You have my absolute word on that. Yes.

Ms. Andrea Horwath: That's good to know, because that's one of the issues that I thought was quite concerning. So if the case were to come, if something were to happen that would trigger, perhaps, an interest or a desire to move funds, you're saying there are walls in place now—I think you said fences—that don't allow that to flow at all? Do they require a ministerial approval or something of that nature? I'd like to know what the mechanisms are. What are the mechanisms?

Mr. Julian Fantino: Well, in-house we have put in place very stringent criteria with regard to doing any of that to begin with. If any such initiative is to be undertaken, and it could be, we would obviously require that to be documented. It would come to me and I would obviously look at the merits of all of that and then I would come to the deputy to get a sign-off—or counsel, or advice, or whatever. In actual fact, the audit has been a great help to us in many other areas—

Ms. Andrea Horwath: It usually is.

Mr. Julian Fantino: —because we took lessons learned here and looked at how other areas might be vulnerable. So, in actual fact, as a result of that, we've been able to do this, put in place very stringent criteria about fence funding and coming back with accountabilities and getting the permission if we're going to move any funding. So I'm satisfied that the safeguards are in place now.

Ms. Andrea Horwath: Thank you very much, Commissioner.

Can I then ask Deputy Newman: From the ministry's perspective, are you satisfied that the ministry now has a level of confidence in the resources being allocated the way they're supposed to be allocated?

Ms. Deborah Newman: Yes, very much so. As the commissioner has indicated, he's giving clear instruction within the OPP that any money that is allocated for a specific purpose will be spent on that; that, as he says, he's put fences around those and the ministry is receiving monthly reports on those specifically allocated funds that we receive through Treasury Board for specific purposes. So my chief administrative officer is reviewing, on a regular monthly basis, all of those allocations. So we now have a much higher degree of accountability with respect to those specifically allocated funds.

Ms. Andrea Horwath: It seems to me that the commissioner indicated that if there was a desire to—he explained his internal process, if someone came forward and said “Look, there's a fire over here and we have to put it out and we need the funds,” that that would then trigger a request for reallocation coming to your desk? Is that—

Ms. Deborah Newman: That's correct.

Ms. Andrea Horwath: All right. Then, does the minister need to approve that as well, or does that end at your desk? Is that where—

Ms. Deborah Newman: No. I would bring that to the minister and we would actually go back to Treasury Board and ask for a reallocation.

Ms. Andrea Horwath: All right. That's very helpful. Those were my questions, Mr. Chair.

Mr. Jerry J. Ouellette: Are you tracking the data that you maintain for any other purposes?

Mr. Julian Fantino: I'm sorry, sir, the which?

Mr. Jerry J. Ouellette: The data on the registry for any other purposes—is there any other information now?

I'll take you where I'm leading on this, Commissioner Fantino. You mentioned the fact that there are trips that go on, these sex trips, outside of the country. I know that individuals who are charged with these offences look to specific legal representation to defend them because those individuals happen to have a communication network that knows these are the people who should be dealing with that.

When you find that there's some community that has only an 80% compliance, are we seeing a higher or disproportionate number of individuals within that community for any purpose? And what data could be or should be tracked to identify something taking place along those lines?

Mr. Julian Fantino: That 80% could only be a couple of people, so it isn't huge numbers, and that sometimes skews the figures.

The sex offender registry is an investigative tool and it has many purposes. It is used for legitimate law enforcement work. The information we share is based on our need to know and our need to exchange information, always driving towards a greater public safety outcome. So I can't say specifically where we would or wouldn't share information but it certainly would be with accredited police services.

The other thing of course is that on the odd occasion when we feel that the information needs to be shared with the public, we also make that approach. There are other circumstances where we may actually go to a potentially vulnerable person in a particular threat situation associated with a particular individual who's on the registry. Again, it's a judgement call. But all of this of course is predicated on our need to share information, and there are many variables to that. We could go out publicly; we could go to, say, the mother of children where a sex offender may be attempting to ingratiate themselves; and then of course a wide exchange of information among law enforcement agencies.

Mr. Jerry J. Ouellette: Once an offender is released, is there any notification to the victims who are in those situations that that offender is released and in those areas? Does that take place automatically or is that at the discretion of the force?

Mr. Julian Fantino: It's on discretion. This is where the behavioural science portion of support to the registry is really important. There is a threat assessment done, and

on the basis of that investigative piece, we then make a determination as to what we need to do. It may be that we have to take a very aggressive stance. It has happened in the past where we are concerned about a certain potential victimization and then we would act accordingly.

Ms. Deborah Newman: If I could just add to that, on the correctional services side of our ministry we have what's called a victim notification system for any high-profile offenders, including sex offenders, who are convicted. Corrections gets in touch with the victim and advises them that if they would like to register with the victim notification system, corrections will advise them when the offender is being released from custody.

Mr. Jerry J. Ouellette: Even if it's a young offender?

Ms. Deborah Newman: This is for adult offenders. Young offenders are resident in another ministry, children and youth services.

Mr. Jerry J. Ouellette: Okay. Thank you.

The Chair (Mr. Norman W. Sterling): Could I just ask if you have any statistics? I'm interested in the federal system versus the Ontario system. Given what the John Howard Society said to the Auditor General, their feeling was that perhaps too many people were on the provincial offender list and that there should be more concentration on the serious sexual offenders as opposed to perhaps some who are less. I don't know that much about it. I don't know what is serious and what is non-serious. I guess my bias would be that they're all serious, but notwithstanding that, have there been any statistics done with regard to how many sexual offenders were on your list but not on the federal list and have been convicted in Ontario over the last number of years?

Mr. Vince Hawkes: No, I don't believe we have that. But you bring up a very valid point about the difference. What our research has shown, definitely on the child exploitation side, is that those individuals who initiate with images first are more likely to continue and progress to more violent activities with children. There's a progression there. So even what may seem a minor sexual offence that they're registered for in Ontario becomes a huge investigative tool for us to track down where those individuals are, because there's a potential for them to progress to violent levels.

1100

Mrs. Liz Sandals: It's not what I was going to comment on, but interestingly, you get similar data on bullying, that kids who escalate in their bullying behaviours in school continue to escalate into criminally violent behaviours in adult life. So you get that same sort of pattern there.

I think this actually, in some ways, follows along from Mr. Sterling's question. I'd like to go back and think some more about those people who are federally incarcerated, because the ones who have sentences of two years or greater are presumably the more serious offenders, and those are the ones who end up with Correctional Service Canada. I'd like to ask a few questions. Under Christopher's Law, the people who are convicted—the

Ontario courts will notify us if it's one of the crimes on the list. Is that correct?

Mr. Vince Hawkes: Yes.

Mrs. Liz Sandals: So regardless of whether they're going to a provincial incarceration or a federal incarceration, we know about them; we know they've been convicted. So we're creating a footprint or tombstone record, as the deputy referred to it, on conviction. Is that correct?

Mr. Vince Hawkes: Yes.

Mrs. Liz Sandals: And then that person, if it's very serious and they've been given a longer sentence, goes off to Correctional Service Canada, and that's where it starts to fall apart, because we don't get the information back, necessarily, when they're released.

I get the impression that at some points Correctional Service Canada has been reluctant to share their release and parole information. Is that a problem? Are they willing to share?

Mr. Vince Hawkes: Yes, they are. That has developed over the years with a lot of relationship-building with our sex offender registry. The ultimate goal is to have an automatic downlink, to get that information automatically. Right now we've worked together to develop at least to get a data dump of all of that information, so that we can manually verify all of that. That's in the process now. But in the future we want to work towards an automatic link so that that information gets populated into the system automatically.

Mrs. Liz Sandals: But if I'm hearing you correctly, then, we've at least resolved the issue that the federal corrections system is willing to share. So we've gotten over that hurdle; it's now, how do we do it expeditiously and electronically, instead of getting a pile of paper once a month and then having to process it manually.

Mr. Vince Hawkes: Exactly.

Mrs. Liz Sandals: So if we at least have agreement that we can access the data, then there's light at the end of the tunnel.

Mr. Vince Hawkes: Yes.

Mrs. Liz Sandals: It's just a technically difficult tunnel. Is that where we are now?

Mr. Vince Hawkes: Yes.

Mr. Julian Fantino: We should be up to speed by the end of the year, where the interface should be in place. But we're still not very pleased that the criteria are so restrictive with the national registry.

Mrs. Liz Sandals: Yes, and that's why I wanted to zero in on Correctional Service Canada, because it isn't so much the national registry link at the moment that will give us the useful information, it's the direct link to Correctional Service Canada, because if we know who is convicted and when they're released, then we can feed it properly into the Ontario registry and ignore the fact to some degree that the national registry is deficient.

Mr. Vince Hawkes: Yes, the challenge is not in Ontario; the challenge is if the conviction happens elsewhere and the individual gets released into Ontario. We want to make sure we have that information so that if

they're released into Ontario then we can access them on ours. It has to do with everyone else in the other provinces making sure that that data is exchanged.

Mrs. Liz Sandals: Because if they're convicted in Manitoba or Quebec, you won't have the notification of conviction, so you don't have any knowledge that you need to be chasing them.

Mr. Vince Hawkes: There's no requirement for them to register in Ontario until they come into Ontario.

Mrs. Liz Sandals: But if they've been incarcerated in Ontario, they may well be released in Ontario.

Mr. Vince Hawkes: That's correct.

Mrs. Liz Sandals: Okay. So getting that electronic link with the federal corrections system is really important.

Mr. Vince Hawkes: Yes.

Mrs. Liz Sandals: I wish you well on that.

The other thing I was going to comment on, actually, is that I was fortunate enough once, when touring up in Orillia, to see a demonstration of this in action, where a location was put into the system and it pulled up all the people in that area. So I was able to see a demonstration, and it was really impressive.

The Auditor General has noted that it would be useful to be able to expand the search criteria beyond simply location of crime and who on the registry is in the area, but to zero in on other specific things like the profile of the victim and some other information that might be useful in zeroing in. I wonder if whoever is appropriate here could talk about what progress you've made in terms of expanding the search criteria so there is a more sophisticated search capacity.

Mr. Vince Hawkes: There have been some successes in that field, where the recommendation was to add search capabilities for things like age, gender and stuff like that, and that has been achieved since December of last year. We're now looking at further advancements of those criteria and seeing what other information would be of value as an investigative tool in order to make it more searchable. So we've made significant progress and identified, and actually completed, what was recommended by the Auditor General, and we're moving ahead on other criteria as suggested.

Mrs. Liz Sandals: Great, and that will make it much more useful.

Mr. Sterling, I'm going to share my time with MPP Albanese.

The Chair (Mr. Norman W. Sterling): Mr. McNeely was next on the list.

Mrs. Liz Sandals: Sorry. I'm going to share with Mr. McNeely.

Mr. Phil McNeely: Thank you very much for being here today; this is certainly enlightening for me. I'd like to follow up on something Mr. Zimmer and Mrs. Sandals have already asked about. You've probably given this information, but are you allowed to include on the sex offenders list here in Ontario someone who has been convicted in the federal system but does not get on the federal list?

Mr. Julian Fantino: Yes, if they're convicted in Ontario.

Mr. Phil McNeely: Just if they're convicted in Ontario?

Mr. Julian Fantino: Yes.

Mr. Phil McNeely: Not elsewhere in the country?

Mr. Julian Fantino: That's correct—or if they come into Ontario.

Mr. Phil McNeely: But that makes it difficult for the list. I would suggest there's a high acceptance of what we do in Ontario in the judicial system and for Ontario's mandatory registration of committed sex offenders. Is that true?

Mr. Julian Fantino: Yes.

Mr. Phil McNeely: I was very unhappy to hear that about 50% of those who are convicted under the federal system are not put on the federal list, and often it's part of the plea bargaining process, which seems completely wrong. If I wanted to re-offend, I suppose, I wouldn't want to be on the list. I'd just like some comment on that. That's the end of my questions or suggestions.

Mr. Vince Hawkes: The frustration that I sense you have is exactly the same as what we in law enforcement have. Any time there is the ability to plea bargain from the initial charges, it presents a problem. When it comes to the reasons why individuals are not put on the national sex offender registry, it is very frustrating for law enforcement. It's something that goes beyond our control. When we're dealing with the crown attorneys and judges, their decisions are made based on whatever reasons they make those decisions. Unfortunately, it's out of our hands, and that's why we're big supporters of the way the system is done in Ontario, where it's mandatory. They have no option; it goes onto the system, and we feel that's more effective. It allows us to have the investigative tools that we need to protect the public in Ontario. We think that should be across the whole country.

Mr. Julian Fantino: If I may, not every one of those situations is a plea bargain. There are also cases where witnesses, victims and so forth are just not able to go through with a trial and so on. Sometimes, in the greater good, there have to be alternatives taken. If you lose that conviction, you may end up with an alternate outcome, but you lose that record, if you will.

1110

The Chair (Mr. Norman W. Sterling): Maybe the present federal government will change the law.

Now I'm going to go to Andrea.

Ms. Andrea Horwath: I have a brief question. In the remarks that the commissioner made around responses to Mr. Ouellette's questions, particularly on the resources—I think you had indicated that resources from the budget for the sex offender registry are paying for staffing in the behavioural sciences unit—is that right?—or is that over and above? There are the 17, plus there are people in behavioural sciences who are also supporting the work of the unit but being paid through a different budget. Is that right?

Mr. Julian Fantino: Pretty well. As I indicated earlier, this was not an off-the-shelf project. As the sex offender registry was being built to what it is today, there were considerations given that it needed to have support from areas like behavioural sciences and so forth. So there were some changes made that fall within the criteria of the sex offender registry that are funded in support of the registry.

The registry receives all kinds of support from elsewhere in the OPP that is not funded through the sex offender registry funding.

Ms. Andrea Horwath: Okay. So I just wanted to be clear: There are the 17, plus there are people in behavioural sciences, plus, plus; or there's a number of staff, one of the 17, who was seconded from behavioural sciences and is part of the 17? I guess I'm just trying to figure out—it's all about the budget and the allocation of resources and the staffing. The reason why I ask these questions is because, in the criticisms that come up and the issues that were raised in the auditor's report around the ability of the unit to function at its best capacity, getting the communities to connect with individual police forces and doing the feedback piece and the training and all of that are reliant upon the resources being there. So I'm just trying to figure out, clearly, in my own mind: Is it a secondment of somebody from behavioural sciences who then is part of the 17, or is there some other kind of way that you deal with it?

Mr. Julian Fantino: These are dedicated staff within the sex offender registry—I guess it's 18?

Mr. Vincent Hawkes: Eighteen, yes.

Mr. Julian Fantino: There are 18 dedicated sex offender registry staff. But the point I was making is that beyond that, there are also other resources within the OPP that support the registry, but the funding from the registry is not sucked off to fund those areas. We just do it as a matter of—

Ms. Andrea Horwath: It's an integrated system.

Mr. Julian Fantino: Absolutely. You can't section off the work of the registry and just keep it in a compartment. It has so many other variables. It all depends on what kinds of cases are flying as well, what kinds of cases we're doing. When we do threat assessments, for instance, we may have to—and often do—seek the services of a psychologist or a psychiatrist; those kinds of things. There is a lot of work that goes on in support of the registry within the OPP as well.

Ms. Andrea Horwath: Thanks. I appreciate that. There was one other thing. I can't remember who raised the issue of child pornography. If someone is convicted of child pornography-related crimes, that doesn't put them on the sex offender registry, does it?

Mr. Julian Fantino: Yes, it does.

Ms. Andrea Horwath: Oh, it does? Okay. Good.

Mr. Vincent Hawkes: Child pornography offences are part of the criteria offences for the sex offender registry.

The Chair (Mr. Norman W. Sterling): Okay. Ms. Albanese.

Mrs. Laura Albanese: Thank you for being here today. I was interested in the follow-ups on offenders for non-compliance. I understand that at times the police can issue warrants for that. How is that determined? How far do the police go and how is that weighed?

Mr. Julian Fantino: The initial trigger would be the individual either not registering or changing their address and not notifying us, and so forth. Once that is identified, the expectation is that an investigation be done at the local level, where the person is believed to be, by that police agency. If information has surfaced that leads us to believe that the individual is either absolutely non-compliant or is evading or is otherwise in contravention, then there could be a warrant taken out. Then, of course, there could be an arrest, and the person would be brought to court.

Mrs. Laura Albanese: I also know that at times the police, when the public is at risk, will decide to release the identity and advise the public, the media. Would that help with the non-compliance, if it was used more?

Mr. Julian Fantino: There's a very significant threshold. We don't want these people to go underground as well, and the more public exposure they get—there's been a lot of debate about whether or not the public should have access to the registry. We believe not, because it could create more non-compliance, if you will, where people don't want to be exposed and all of that.

We are very careful about public announcements, keeping in mind that most of those decisions are made at the local level by the local police agency. We help them, of course. It's not something we take very lightly. It's a serious issue, because then, as you know, a whole lot of other things happen. There's a threat assessment done, there's a lot of consideration, weighing and balancing the greater public good and the individual's rights and entitlements. It's a tough call to make. I've made it many times.

The same would apply when, for instance, in the federal system, you have a federal parolee at the end of their sentence. In other words, there are no more restrictions or control, and you have an individual who is believed by federal corrections to be very dangerous and likely to re-offend coming to a neighbourhood near you. What do you do about it? That's a very difficult decision, and the same applies here. But we make them trying to balance things out and believing that—preferably, I like to think of the victimization issue and the greater public good issue on a 55-45 value system.

Mrs. Laura Albanese: This threat evaluation—is it done by the OPP in conjunction with the local division, or at times could it be done locally?

Mr. Julian Fantino: Good question. We are the police service of jurisdiction in 313 municipalities in the province. In those municipalities, if there was such an issue, we would be the agency to make that determination. But in places like Toronto, York, Durham and elsewhere, that would be a decision made by the local police chief on their local issue. We would help them, but it would be their decision to make.

Mrs. Laura Albanese: Maybe that should be unified.

Mr. Julian Fantino: The problem is, we have jurisdictional authorities and all those kinds of things. We would not be in a position to override that.

Mrs. Laura Albanese: Thank you very much. I'm going to share the rest of my time with my colleague Mrs. Van Bommel.

The Chair (Mr. Norman W. Sterling): Actually, there's no time. But Mrs. Van Bommel, you can go ahead now.

Mrs. Maria Van Bommel: Actually, most of my questions have been answered. But I do just want to go back to the whole issue of escalating behaviours, deviant behaviours, and in particular those related to the child pornography issue. Certainly I would assume that the creation and distribution of child pornography would be considered crimes that would qualify for getting yourself on the registry, but what about possession?

Mr. Julian Fantino: Yes, possession as well.

Mrs. Maria Van Bommel: Possession is involved in that as well?

Mr. Julian Fantino: Yes. Just to your question, which is something that people talk about all the time, if you recall the horrible murder of Holly Jones, Briere, the now-convicted killer, confessed that he was into child pornography, got all worked up about things, and the end result was the murder of a wonderful, beautiful, innocent little girl. So there is this issue. We're very concerned about it and we don't discount it. As the Chair pointed out earlier, it's pretty hard to say which is or isn't a serious sexual offence. I think they all are because they have this potential. Even though it may not be a violent, aggressive situation right off the bat, that potential is always there.

1120

The Chair (Mr. Norman W. Sterling): Mr. Ouellette.

Mr. Jerry J. Ouellette: Earlier in the presentation you mentioned a number of times about Bill 16. Should Bill 16 pass, what would be the timeline for implementation or the holdups for that? Are there actually any ideas on costing for full implementation?

Mr. Julian Fantino: I guess it all depends how quickly the political process can deal with it. I'd say let's do it right away.

Mr. Jerry J. Ouellette: It's mostly a case of once the bill is passed, it falls out of the elected officials' hands after it has received royal assent and into the ministry's and to an application.

Ms. Deborah Newman: I'm sorry; I missed that latter part because my ADM of policy was telling me that we would need about six months' lead time to implement the provisions of Bill 16, if passed, to essentially put all of the procedures and provisions in place and to notify offenders and so on. So about six months.

The Chair (Mr. Norman W. Sterling): I have Mr. McNeely next.

Mr. Phil McNeely: Just a very short one. It came from the commissioner's answer to my question. The Ontario system doesn't allow plea bargaining to not be included on the list, but your answer sort of spoke positively about often you wouldn't get the conviction if

you didn't have plea bargaining for keeping your name off the federal list. I'd just like some clarification on that, because we don't allow that plea bargaining, but federal—Canada does.

Mr. Julian Fantino: The reality is, there's plea bargaining everywhere, not just on these cases but on cases generally. My point is that it isn't always a plea bargain that results in a case going sideways or a conviction not being rendered on the primary sexual offence. There are all kinds of variables. Inevitably the crown attorneys and the courts are doing their best to secure the convictions that are appropriate for the evidence that we put before them, but for us to not acknowledge there's plea bargaining I think would be less than honest.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: I just have one question that has sort of a constitutional nature to it. In this scenario, let's suppose that we have a criminal case out here on University Avenue in the Superior Court of Ontario. The judges on the Superior Court of Ontario, of course, are federally appointed. That judge in a sex offender case registers a conviction and then has a little hearing to decide whether he should order the convicted person to register. They have the hearing and the judge exercises his discretion, following your definition that you read in earlier that says, "No, you don't have to register in the registry."

The person walks out of the courthouse and some time the following month the Ontario authorities get after him for not registering in the Ontario plan. That person says, "Well, hold on a second. I was in the Superior Court of Ontario last month and the judge specifically said after a hearing—the judge gave reasons why I don't have to be registered. Since the federal government is responsible for criminal law and the penalties that attach to criminal offences, you, Ontario, can't ask me or make me register under your Ontario plan." What happens in that situation? Somebody's obviously talking it over—one of the lawyers.

Mr. Julian Fantino: But I'm going to give you my non-lawyer response, and that's not a bad thing. The judge would only have the authority to make that determination with respect to the national registry. Regardless of whether the judge does or doesn't make that order, that person would still, on conviction, be on the Ontario registry. The judge's relevance here is only that which applies to an order to put someone on the national registry. We would still have it on ours, on conviction.

Mr. David Zimmer: Suppose the argument was, "Hold on a second. Under our system, criminal law and the penalties thereafter are a federal responsibility, so a federal judge, under a federal statute, the Criminal Code, has said I don't have to register."

Ms. Deborah Newman: We haven't had a case go all the way through the system on a constitutional appeal yet; we anticipate that.

Mr. David Zimmer: You anticipate what?

Ms. Deborah Newman: We anticipate that we will be challenged.

Mr. David Zimmer: And it'll be on that argument.

Ms. Deborah Newman: Essentially.

Mr. David Zimmer: I guess you're getting ready for the ark.

Ms. Deborah Newman: Absolutely.

The Chair (Mr. Norman W. Sterling): In terms of when people go out of our province to another jurisdiction—let's talk about Canada; Quebec, for instance. Do you strike them off our registry when they say, "I've gone to Quebec" and you've satisfied yourself that they've gone to Quebec? Do we take them off the registry or do they remain on the registry?

Mr. Vince Hawkes: They remain on the registry. The only way they'd go off the registry is if they've received a pardon.

The Chair (Mr. Norman W. Sterling): Or the time span goes.

Mr. Vince Hawkes: Yes, depending on the offence that they were on the registry for—either up to 10 years, or if it's a multiple offence, then they're on for life.

The Chair (Mr. Norman W. Sterling): Let's say that the police force from Gatineau phones because of their proximity, being a border city to Ottawa. Do we share information with the Gatineau police?

Mr. Vince Hawkes: Yes, we do. All police agencies in Canada have access to contacting the sex offender registry and sharing that information.

The Chair (Mr. Norman W. Sterling): Do we have information on how many have actually migrated to Quebec? Is that collected in one pot? In other words, if the police chief for the city of Quebec phoned and said, "How many people have migrated off your registry into our jurisdiction? Can you give us information on that?" Can you do that?

Mr. Vince Hawkes: We could search to find out how many individuals have advised us that they have left, but if an individual just gets up and leaves and goes over to Quebec, we can't force them to come back to Ontario to let us know that information. So there is a challenge there for us. That's why the loophole between the notification on the national sex offender registry—if that was more up to the same level as the Ontario sex offender registry, then that would ensure that they are registering on the national sex offender registry when they move to another province. Unfortunately, that's not the case right now.

The Chair (Mr. Norman W. Sterling): Do you track, at all, the convictions in Quebec—for instance, in terms of the names of people who have been convicted of a sex offence in Quebec—and then try to match those with people who are here in Ontario?

Mr. Vince Hawkes: We don't have that information. That was one of the gaps that was identified in the auditor's report: If an individual is convicted elsewhere and moves to the province, they're required to register with the sex offender registry, but there's the component of, "Well, how did they know that they had to register?"

Once they're convicted in another province and they're on the national sex offender registry, if the judge orders so, then that information gets shared back and forth. The other way we can share that information is just through contact and relationships with those other police

agencies in order to let us know that we have a serious sex offender who's moving to the province of Ontario.

The Chair (Mr. Norman W. Sterling): But I think the commissioner pointed out that on the national registry, they don't necessarily record a change of address. Can you look at the registry and do an examination from time to time, to see if any of them have moved to Ontario from other jurisdictions? Can you see that information there?

Mr. Julian Fantino: On the national, yes.

The Chair (Mr. Norman W. Sterling): On the national one?

Mr. Vince Hawkes: No. I'm not sure that you can on the national one, because they only take their name and address and list that in their database.

Mr. Julian Fantino: We could check it, though.

Mr. Vince Hawkes: Yes, we could.

The Chair (Mr. Norman W. Sterling): And they do show a change of address then? Would you know that the person was in Quebec City and now is in Toronto? How would you know? Can you look at the national registry? Does it show those kinds of changes?

Mr. Julian Fantino: If the address is there. We could surface that, yes.

The Chair (Mr. Norman W. Sterling): Mrs. Sandals?

Mrs. Liz Sandals: Just a really quick comment. Commissioner Fantino mentioned earlier in his remarks that he was going to take a resolution to the Canadian Association of Chiefs of Police that the national registry be brought up to the Ontario standard, in essence. And the discussion that people are just having about people in and out of Ontario, that's why it would be in Ontario's interest to have the national registry up to the Ontario standard. Because then we really would have a mechanism for tracking people coming in and, conversely, be able to communicate if we have people who are going out effectively. Clearly, right now, Ontario has a registry which is working well and which you're continuing to improve. Our interest in the national registry is to get the ins and outs tracked effectively.

Mr. Julian Fantino: That's right.

The Chair (Mr. Norman W. Sterling): Any other questions? On behalf of the committee, I'd like to thank all the people who have attended here today. After you exit from the room, the committee will meet in closed session to give instructions to our researcher with regard to writing a report on today's hearings. Thank you very much. We appreciate your time and your effort and your answers.

The committee continued in closed session at 1132.

CONTENTS

Thursday 20 March 2008

2007 Annual Report, Auditor General:

Section 3.11, Ontario Sex Offender Registry	P-55
Ministry of Community Safety and Correctional Services	P-55
Ms. Deborah Newman, deputy minister	
Mr. Julian Fantino, commissioner, Ontario Provincial Police	
Mr. Vince Hawkes, deputy commissioner, provincial commander of investigations and organized crime command, Ontario Provincial Police	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer,
Research and Information Services

4200
C21
72



P-5

P-5

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 27 March 2008

Journal des débats (Hansard)

Jeudi 27 mars 2008

Standing committee on public accounts

2007 Annual Report,
Auditor General:
Ministry of Health
and Long-Term Care

Comité permanent des comptes publics

Rapport annuel 2007,
Vérificateur général :
Ministère de la Santé
et des Soins de longue durée

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 27 March 2008

Jeudi 27 mars 2008

The committee met at 0939 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.12, outbreak preparedness and management.

The Chair (Mr. Norman W. Sterling): Good morning. My name is Norman Sterling. I am the Chair of the public accounts committee. This morning we are dealing with consideration of section 3.12 of the 2007 annual report of the Auditor General, which deals with outbreak preparedness and management. The Ministry of Health and Long-Term Care is the primary ministry responsible for this area and we have today with us Mr. Ron Sapsford, the deputy minister, and several other people from the Ministry of Health. So I'm going to turn it over to you, Mr. Deputy Minister. You might want to introduce the people sitting with you at the table. As well, I understand you have some remarks which you have provided us with a copy of, so I turn it over to you at this point in time.

Mr. Ron Sapsford: Thank you, Mr. Chair. I'd like to introduce members of my staff who are with me today. On my left is Allison Stuart, who is acting as the assistant deputy minister of the public health division, and on my right, Dr. David Williams, who is the chief medical officer of health for Ontario.

On behalf of the Ministry of Health and Long-Term Care, I want to thank the standing committee on public accounts for giving me this opportunity to discuss some of the key issues raised in the Auditor General's 2007 report on outbreak preparedness and management.

Let me begin by saying that the ministry fully supports and appreciates the input of the Auditor General. Pandemic planning is a complex, evolving process that is continuously being refined and improved with each version of the plan. The audit report's insights have already begun to inform the ministry's way forward in protecting the health of Ontarians. I am pleased today to update you on the ministry's progress since last year's audit was conducted.

The ministry was very much encouraged by the Auditor General's references to the great strides that

Ontario has made since the SARS outbreak in 2003. SARS was a wake-up call for all of us. The ministry, as well as the health care system, learned many hard-earned lessons. Our experience with SARS underscored the need for developing increasingly vigilant best practices in infection prevention and control, as well as outbreak preparedness.

In particular, we thank the auditor for acknowledging the ministry's considerable achievements, including its pandemic plan, the stockpile of antiviral drugs and medical equipment and the creation of regional infection control networks. The ministry has also funded 137 additional infection control practitioners in acute-care hospitals; created 180 communicable disease positions in local health units; established the Ontario Agency for Health Protection and Promotion; developed infection-control guidelines in hospital construction and renovations planning and design; and implemented a hospital-based hand hygiene program for health care workers.

Indeed, these measures have helped make Ontario better prepared than we were five years ago to deal with outbreaks of infectious disease. In the area of pandemic planning, the province is now recognized both nationally and internationally as a leader in this field.

However, we do not live in a perfect universe. As I've said, pandemic planning is an evolving process, never finished. We know more today than we did yesterday and less than we will know tomorrow. Our challenge as a ministry is to continually question our assumptions, update best practices and welcome input that will allow us to build and sustain a comprehensive defensive and response system to protect the life of every Ontarian.

I now want to address the major points addressed in the auditor's report. As I cite them, I will give you an update on the initiatives under way or planned to resolve these perceived gaps.

The Auditor General's report raised concerns on whether all of the players in the health system know exactly what to do in planning for and during a pandemic. It noted that a ministry survey found that one third of public health units had yet to complete a pandemic plan. I'd like to report that a significant amount of work has been done in this particular area.

As the auditor noted, clear roles and responsibilities are crucial if Ontario is to be able to respond effectively to a health crisis. Outbreak preparedness and management, particularly in the context of pandemic planning, is

a shared responsibility. The relevant legislation, the ministry emergency response plan and the Ontario health plan for an influenza pandemic together establish the roles, responsibilities, structures and procedures for Ontario's pandemic planning.

The Emergency Management and Civil Protection Act sets out the responsibilities of ministries and municipalities for emergency planning and preparedness.

The Health Protection and Promotion Act establishes key responsibilities for health protection. It also sets out the roles for the chief medical officer of health, local boards of health and medical officers.

The Occupational Health and Safety Act reflects the critical role of the Ministry of Labour during an emergency, and this legislation cannot be suspended.

Provincial emergency plans establish the Premier and cabinet as the executive authority in a provincial emergency like a pandemic. Emergency Management Ontario, part of the Ministry of Community Safety and Correctional Services, has the primary responsibility for coordinating the province's emergency response.

The Ministry of Health and Long-Term Care, through an order in council, is the responsible ministry for leading preparedness and response activities in the areas of human health, disease and epidemics, and health services during an emergency. The chief medical officer of health leads the health response by providing direction to the health sector.

Following SARS, the ministry created the emergency management unit to lead the ministry's responsibilities for health emergency preparedness and response.

Local public health units are responsible for developing community plans in partnership with local health providers. And boards of health are required to conduct activities to support the identification and management of various community outbreaks.

Hospitals and long-term-care homes have responsibility for emergency plans for their own organizations.

At the federal level, the Public Health Agency of Canada and Public Safety Canada both have roles in preparation for, and in response to, a pandemic.

The Ontario health plan for an influenza pandemic is the linchpin in the province's preparedness and management strategy. The plan describes how Ontario's health system will respond to an influenza pandemic and puts measures in place to ensure the health system will be there for Ontarians at a time when they need it most. It clearly sets out roles and responsibilities for all parties and contains checklists and targeted fact sheets, which are made available for health workers.

We know we can never rest on the laurels of the status quo. We renew our commitment to protecting lives by releasing new versions of this plan, based on the best available clinical information and the changes in the province's health system landscape. Over the past four years, the ministry has released four iterations of the influenza pandemic plan, and the fifth release will be available this summer.

Nearly 400 individuals and organizations were involved in the development of the plan and it was practised during an exercise with over 200 stakeholders. Another exercise, a test of the plan, is ready for this fall, again to test the readiness.

The ministry has made its pandemic plan public and there has been an increasing number of visits to this section of the ministry's website—www.health.gov.on.ca/pandemic. In January of this year alone, Ontario's pandemic planning and emergency preparedness online resources received almost 34,000 visits. Further, the monthly Pandemic Planner newsletter, which highlights best practices in the province and planning progress, is accessed by and distributed to over 2,900 organizations and professionals across Canada.

0950

As to public health units' preparedness, the ministry's September 2007 quarterly survey to assess preparedness on the part of public health units showed that 70% of public health units have pandemic plans in place. The remaining units are expected to complete their plans by the end of 2008. To support this, the ministry's emergency management unit is working with health units to develop a best-practices template and tools.

The second point: The Auditor General's report noted that the ministry has developed a critical care triage tool, the first of its kind, to help guide difficult clinical decisions during an influenza pandemic. The auditor's report expressed concern that the tool had neither been tested nor submitted for public consultation.

The ministry has supported the auditor's recommendation for public consultation on the critical care triage tool. Such public consultations are now under way. This process will improve the public's understanding, as well as give the ministry valuable input as to how the tool is received by Ontarians.

A pilot study by health care professionals is also in progress to test the best method of gauging the critical care tool's efficacy, and results are expected later this spring.

It's also important for the committee to note that the critical care triage tool has been identified as a promising practice by the Center for Infectious Disease Research and Policy at the University of Minnesota, which peer reviews practices that can enhance public health preparedness. It is also noteworthy that British Columbia has adapted Ontario's critical care triage tool for inclusion in their own pandemic plan.

Managing a surge in demand for critical care capacity during a crisis is also being addressed by the ministry. This requires a coordinated system of communication and regional partnerships. A pilot project in surge capacity planning and management for critical care is under way in the Champlain local health integration network. This test will inform the future rollout of a province-wide system for surge capacity development.

It's also worth mentioning that, in 2003, the ministry created the emergency medical assistance team, or EMAT, a 56-bed acute care mobile field unit that can be

deployed anywhere in the province within 24 hours when local providers are overwhelmed due to an emergency.

The next point: The auditor also noted that public health units either did not have operational plans for setting up flu centres or were undecided whether to create them. In 2006, the pandemic plan set forth a strategy for public health units to establish plans for influenza assessment centres to ensure that hospitals and other primary care providers were able to offer a range of service for treating individuals.

A recent survey of health units confirms that a majority is already working on flu centre planning. The decision of location for flu centres is made at the local level as they are in the best position to know their own community needs.

The next point: The auditor expressed concern that about one third of public health units were without full-time medical officers of health. As well, the report noted that close to 100 public health division and laboratory positions were vacant within the ministry.

I couldn't agree more that filling these vacant positions is a high priority. To address the growing demand for health professionals, the ministry established HealthForceOntario in 2006. The public health division has been working closely with HealthForceOntario to meet the specific demands for public health professionals. The government has allocated funding for five new positions through the physician re-entry program for physicians interested in pursuing specialized education to be a medical officer of health. As well, the ministry has enhanced funding for the medical officer of health in training program. These efforts have resulted in two acting medical officers of health applying for bursaries to pursue their master's degrees in public health.

The Auditor General's report noted that the ministry had not yet collected \$17 million from the federal government for its share of the cost of the antiviral stockpile. As per the auditor's recommendation, the ministry has worked diligently to get the funds owed to it for the federal cost-share portion of the antiviral stockpile. An agreement is expected to be in place by March 31 this year—and, I might add, recovery of the funds.

The report also raised concerns that the ministry will not be able to correct deficiencies in its current disease surveillance information system before transferring the existing information to a newer system in 2008. The ministry has worked hard to improve its disease surveillance information system—this is the integrated public health information system, or, as we call it, IPHIS—since its implementation in 2005.

IPHIS is the software application that supports the processes used by public health experts both in the ministry and health units to track and respond to cases, contacts and outbreaks of infectious disease that occur across the province. It is Ontario's infectious disease reporting, case, contact and outbreak management

application and is the most robust software of its kind in the country.

IPHIS uses a central database providing near real-time reporting and data sharing to reduce the time it takes to recognize and efficiently manage threats to public health. IPHIS allows public health to link cases and contacts to exposures, which supports coordinated surveillance and outbreak management across the province.

Further, a new surveillance solution that is part of the public health division's surveillance operational plan for a pandemic is expected to be completed this fall. This solution will supplement the surveillance data reporting currently done through IPHIS in the event of an epidemic.

The ministry is also leading a cutting-edge form of surveillance called syndromic surveillance, which uses nontraditional and real-time sources to identify infectious disease clusters quicker than through normal channels.

Finally, the next generation of the surveillance system is called Panorama. This is a pan-Canadian public health surveillance solution. Ontario is playing a leadership role in its development and implementation. This system will improve reporting and the capability to manage large outbreaks across the country. Panorama is jointly supported by all Canadian jurisdictions and Canada Health Infoway, and builds on the current IPHIS. It will be implemented in three releases during 2009 and 2010, and Ontario is one of the first provinces to be implementing the new system.

At this point, I'd like to turn to an area where I must respectfully note that the ministry is not in agreement with the Auditor General's recommendations. The report expressed worry that in the event of an infectious disease outbreak, the availability of sites where a significant number of people could be quarantined or isolated for an extended time was limited. The ministry does not believe that a quarantine strategy will be effective in slowing the spread of an influenza pandemic. During a pandemic, the virus will be community-based, and quarantine is not likely to be effective beyond the very early stages of the appearance of the virus.

It is also important to note that the Ontario health plan for an influenza pandemic includes a description of voluntary isolation. People with influenza-like symptoms will be asked to isolate themselves and avoid contact with others. In addition, depending upon the severity of the virus, the pandemic plan also includes provisions for asking healthy individuals who have come into contact with others exhibiting influenza-like symptoms to voluntarily quarantine themselves at home until the incubation period is over.

However, the ministry will be developing quarantine guidelines for infectious disease outbreaks other than a pandemic.

Having ready access to health care volunteers during an emergency is essential. But again, in contrast to the auditor, the ministry does not believe that keeping a database of volunteers is effective. It is difficult to maintain a current database of this nature. Instead, the

ministry will further engage the health regulatory colleges to identify strategies for how their members can volunteer during emergency situations. An overwhelming number of health care workers want to help during a crisis, as we experienced after the Asian tsunami and Hurricane Katrina.

1000

Planning for a pandemic involves much more than enacting legislation and developing a plan. It also requires making sure the health system has the right tools it needs to continue delivering care to Ontarians during a crisis.

To prepare the health system and protect the health of the residents of the province, the ministry is carrying out an ambitious stockpiling program, including enough antiviral medications to treat 25% of Ontario's population during an influenza pandemic. Antiviral medications are used to treat illness associated with viral infections brought about by an influenza pandemic.

Secondly, we are acquiring 55 million N95 respirators for health care workers in close contact with patients during an influenza pandemic. Ontario is one of the few Canadian jurisdictions to stockpile this type of respirator in such quantities. Over 60% of this stockpile is expected to be in place by the end of this month.

The ministry is also in the process of completing its stockpile of other necessary medical equipment for use during a pandemic or other health emergencies, such as masks, gowns, gloves and other supplies.

The costly legacy of SARS, including the tragedy of lives lost and shattered, inspired many to work tirelessly to make Ontario better prepared and to continue its leadership role in pandemic planning. But our work as a ministry is not done.

We must continue to advance our preparedness and management system, adopt best practices and work in partnership with stakeholders and local communities to ensure the province can effectively respond to any health crisis.

We must also continue to promote infection control to help Ontarians stay healthy. A healthier population will be more resilient during health emergencies.

In closing, I'd like to thank the Auditor General for providing the ministry with valuable guidance to support us in continuing to build improvements into our system of outbreak management and response to pandemics.

The Chair (Mr. Norman W. Sterling): Thank you very much. Ms. Gélinas?

M^{me} France Gélinas: Thank you, Ron, for your update. It was very useful. I would like to start with the first Auditor General's recommendation, which has to do with health units. My first question will be general in nature. The Auditor General noted that the ministry's survey found that one third of public health units had yet to complete a pandemic plan. My first question will be, where in the province are those not already generally located? I'm talking about geographical areas or rural versus urban, bigger versus smaller, that kind of issue.

Ms. Allison Stuart: The distribution is scattered, but in really broad strokes it would be fair to say that more

rural or smaller health units are finding it more difficult to complete their planning. Having said that, it's important that we are encouraged by knowing that every single health unit in the province is working on their plan, and by the end of 2008, even those health units that don't have a complete plan expect to have a plan completed.

M^{me} France Gélinas: Okay, and you feel confident that that will happen?

Ms. Allison Stuart: I do. We have staff within the ministry who have been and will continue to work closely with those health units that are having some difficulties in completing their plans. There's also the ability, and it's one of the joys of working in health emergency management—there is incredible generosity of spirit, and people share plans and strategies and so on with each other.

M^{me} France Gélinas: Continuing with this idea that it is mainly the smaller health units that usually have less resources; I'm familiar with the one in the north because this is where I'm from, where you find quite a few of the smaller health units with a smaller resource base that are having a tough time meeting the requirement of the ministry for their mandatory program, and then when those get added on, it overwhelms them.

Was there—and I realize that this is a little bit outside of this morning—any thought given to a redistribution of the health unit catchment area?

Mr. Ron Sapsford: The catchment areas themselves, no. The designation of the geography for health units was not considered as a way to accommodate that. I think it's fair to say that smaller units have a more difficult time, as Allison has indicated, but at the same time, the ministry is supporting those health units. Quite frankly, as the larger health units go through the process, the planning for subsequent health units becomes easier because we use the experience from one unit to help the other. All of the health units, though, received additional staff positions over the past few years specifically to address the needs of pandemic planning. There's a variability in how quickly people work across the province, but we're doing our best to ensure that the work is completed during this year.

M^{me} France Gélinas: Okay. You have talked about—and I agree with you—that this is evolving, and you will be releasing the fifth version of your plan this summer, I think you said. How widely distributed is it and do you have any idea about this net that you cast with your plan—how many people read it? Do you have any idea?

Mr. Ron Sapsford: Well, it's public. As soon as we're finished the subsequent draft, it's made public; it's put onto the ministry's website, which is publicly accessible. It's distributed widely in the health care system. Certainly, the health care system is well aware of the drafts, so professional associations, colleges—it's broadly distributed and made available, partly because each subsequent draft provides more detail. It gives, in different areas of the plan, more information. Sometimes, better tools are included in it, and the responsibility of

local providers is then to keep their plans updated and in pace.

In some cases, there are still outstanding questions around pandemic planning. Some of those questions are discussed initially at the federal-provincial level. Before we can update our plans, sometimes we have to go through that discussion with the federal public health agency and then, consequently, update our own plans. But it's very widely circulated. The website hits for the last month are quite extensive and we're well aware that it's consulted not only here in Ontario but across the country and, I would venture to say, internationally as well.

Ms. Allison Stuart: If I could just add to that, we average 200 speeches and presentations per year on the pandemic plan. This is both to the health sector and also increasingly beyond the health sector as other organizations understand that the pandemic will affect them as well. The plan itself is widely used across Canada. We do look at everybody else's work and we do see it internationally as well. We have been invited to other jurisdictions to actually present on our pandemic plan. We keep it on our website, along with the fact sheets, because one of the lessons learned during SARS was that some people felt that the information wasn't as transparent as it could have been. So we make sure that that's available.

1010

The Pandemic Planner that goes out each month is, again, widely distributed and then distributed again, in that we know that in some areas the person receiving it passes it on to their distribution list. We also have a booklet which was created that describes the pandemic plan, and that's available, as well as a booklet for the public. There are two kinds: one for the health worker as well as another for the public at large.

M^{me} France Gélinas: I'd like to come back to the smaller health units. I am also aware that they are the ones that have a hard time putting their pandemic plan together—I wasn't surprised by your answer. Aside from being small, what are some of the hurdles that keep them from getting their plan?

Ms. Allison Stuart: In terms of some of their challenges, one is certainly geography. While there are smaller health units, they may cover a large geographic area, as you well know. How to best address those challenges really involves some different kinds of thinking and decision-making. So that would be one. Also, access to the rest of the health sector is not necessarily as robust as it would be just down the street here.

M^{me} France Gélinas: I would agree and concur in your answer that the smaller health units—the ones in the north covering a huge geographical area—don't have the resources because they're small. There are also very few people to partner with, in order to put a plan together. Although I agree with what Mr. Sapsford said regarding learning from the best practices of others, some of those

best practices are really hard to translate into rural northern Ontario, covering a wide geographical area.

Is there any plan to help them out, so that the people in northern Ontario are just as well protected as those in the rest of Ontario?

Ms. Allison Stuart: There has been extensive work done through the Ontario Hospital Association for supporting small hospitals and rural hospitals. They've got a kit that has gone out to all those sites. Many of the strategies in the kit are ones that are relevant to that local response.

As indicated previously, the emergency management unit within the Ministry of Health and Long-Term Care public health division has plans to be initiated over the summer—right now, we're really focused on getting that fifth plan out—to reach out to the specific issues of each of the health units that have not yet had a plan, to see how we may be able to be of assistance, and if not directly provide service, at least be able to broker some assistance for them.

Dr. David Williams: I would also add that we have started the regional infection control networks. That was another enhancement.

M^{me} France Gélinas: That's through hospitals?

Dr. David Williams: In hospitals, public health—these are with coordinators resourced and meeting the networks that have been enhanced since SARS, which can assist in facilitating those discussions and networking.

As you know, in the north, having just come from there, they have the sense of lots of networks—we know each other very well and connect. That's one advantage that the south sometimes has a little more trouble with. But geography—you are correct—and wide diversity is a challenge that needs to be overcome.

M^{me} France Gélinas: Does every public health unit have a hospital in its catchment area?

Dr. David Williams: Yes.

M^{me} France Gélinas: Every one does?

Mr. Ron Sapsford: Every health unit area would have more than one.

M^{me} France Gélinas: I'm thinking South Porcupine and stuff—I forget the name of the health unit there. Anyway, they all do.

What you've just described, through the small hospital network, would be available to each and every one of the health units. Then, is there something similar happening for—there are lots of communities in the north that don't have hospitals. From Foleyet to Gogama to Shining Tree, I could rhyme off hundreds of communities that are 200 kilometres away from the closest hospital. How are those being looked after?

Ms. Allison Stuart: The existing pandemic plan has a chapter for long-term communities, which was developed in conjunction with—

M^{me} France Gélinas: For what kinds of communities?

Ms. Allison Stuart: Sorry, long-term-care sites. It was developed in conjunction with long-term-care operators

and staff, so as to be really relevant to their needs. That has been in place now for two years. There's work under way now to do some further refinements to that, based on feedback from the long-term-care field.

M^{me} France G  linas: I was aware of this through institutions such as hospitals and long-term-care facilities. When you look at the riding I cover, a lot of the time the only health services available are primary care. You'll have a nursing station or a solo physician—that kind of small community; I have 23 of them in my riding. I'm just curious: Is there a way to engage primary care in pandemic planning?

Mr. Ron Sapsford: I think the references to flu centres, assessment and vaccine in the auditor's report are really the answer to your question, because in communities that don't have institutional services, it really revolves around how we do the primary care part of it. This is the piece of work that needs to be completed in many communities, and that involves engaging family physicians in their various forms, because in case of an outbreak, first access will be to family physicians. Rather than simply letting those resources be overwhelmed, this discussion is needed around, how do we deal with flu assessment, and is there a different way that we can organize that? So part of what the health units have to do is engage those local physicians in discussions around, "If there is a pandemic outbreak, how are we together going to respond?" That is partly what takes the time, because those discussions and relationships have to be developed and agreement sought and consensus achieved and then documented in the plan as part of the approach.

Ms. Allison Stuart: In addition, at the provincial level we have a working group of primary care providers who are looking at refining and defining exactly what their roles will be. Frankly, it's easier to organize a big hospital than individual practitioners who are out doing their day-to-day work. This group has come together and has been working over the winter to look at what their roles need to be. They include nurse practitioners and primary care providers, including individuals from the north, and they're developing some further strategies to make sure we can continue to offer primary care to the people in the province.

We also have a group, which is actually meeting next week, that is looking at some additional options we might develop and provide to support response to early treatment.

M^{me} France G  linas: Okay.

Dr. David Williams: I'd also add, from the local standpoint, having been in the north, that we would often ask the medical officer of health. We would often go to the communities where the physicians were and do in-service and discussions and connect with them—for example, CHC staff in Long Lac, etc.—and set up how they would like to connect and coordinate. We would be available with our staff and public health nurses to give updates on the plans to the staff at those facilities and keep them connected with us.

M^{me} France G  linas: Thank you for your answer. I have a feeling that the 30% of health units that were having a tough time were the smaller health units and the health units located in the north and in rural areas of Ontario. I realize that the challenges in those areas are greater, because you have no facilities such as hospitals and long-term care. You're basically dealing with primary care, which means a lot of individuals, etc. I would encourage you to really focus—and I'm happy; I didn't know about the group of primary care providers looking at pandemics—but I would really encourage you, at the end of 2008, when everybody will be on time and on target, to really focus attention as to how we do this in areas that only have primary care as their access to the health care system. Those will be mainly in northern and rural Ontario. This is also where the smaller health units are located.

Thank you. Those were my questions for now.

1020

The Chair (Mr. Norman W. Sterling): I'll go to Mr. Zimmer now.

Mr. David Zimmer: I have just two short questions. When you read through the report, it's apparent, and also from your remarks, Deputy, that there's been some very sophisticated work and planning done, and all of that sort of stuff, to deal with this issue. But I am struck by how it developed that a third of the local health units were sort of allowed to fall behind; that is, not get their plans up. It seems to me there's a disconnect between some of the very sophisticated work done in most areas, except in that area—the third of the units that have fallen behind. As sort of a lessons-learned exercise, how did that happen? How were they allowed to drift behind?

Ms. Allison Stuart: I would characterize it differently. Each public health unit took on the responsibility of providing leadership for pandemic planning at the local level. Each community proceeds at a pace that makes sense for that community in terms of the various pieces that need to be brought together. For some, it's more challenging than others. Sometimes it's more challenging because of the lack of resources and sometimes it's more challenging because of the overwhelming number of resources and having to coordinate and organize them. So we've been well pleased with the movement forward on the part of all health units because, and I need to say this again, a health unit not having a completed plan does not mean that they're not working on the planning and moving forward. And they have committed that they will be complete this year.

Mr. David Zimmer: When you look at the two thirds that have moved ahead, what are they doing right? Or what are the characteristics that have enabled them to get on with the job vis-  -vis the characteristics of those folks who have fallen behind?

Ms. Allison Stuart: I don't think I could answer that question.

Mr. David Zimmer: My second question: The report, with the Auditor General's report and the other information that we have, goes into substantial detail about

managing the disease outbreak or the infectious disease outbreak. Perhaps it's not the responsibility of the ministry, but what do we do to manage the panic aspect of an outbreak? It seems to me that there are technical and medical and all of those things in place. How does the Ministry of Health address, or who do you work with, in terms of managing the emotional or the public panic that inevitably sets in at an outbreak? How does the panic piece affect the planning for the containment of the disease part of the issue?

Mr. Ron Sapsford: I'll start and maybe Dr. Williams can add to it. I think the first and most important thing is having the right information and having the communication capacity and the communication tools available for public communication. That clearly becomes a combination of the clinical information: What is the disease, how is it spread, what are the circumstances, its severity? In many cases, you don't know the answers to those questions until you're faced with a particular virus and a particular outbreak. So ensuring that we've got the appropriate communication capacity and known process, who needs to be communicated with and how: That, clearly, was a lesson that was learned from SARS.

The second is that the structure and process that the government as a whole have set up subsequently is meant to address some of those public concerns. Now, when an emergency is declared, the role of the Premier and cabinet, the various ministries in terms of their role and responsibilities, right down to individual positions, such as the chief medical officer, who communicates on what set of questions people communicate and how that communication is to be formed and then how it is to be given in an orderly fashion so that there are clear and consistent messages to the public—how the communication is created and who communicates are all part of the overall provincial emergency plan.

The specifics of the fear or reactions, to a large extent, are going to depend directly on what the virus is that we're confronted with, and clearly that falls into the clinical domain, in terms of how one responds to it and what specific actions are required as a result of it.

Dr. David Williams: I agree. The key thing is that there's a basic triad we talk about, with risk assessment, risk management and risk communication, and you have to work at all three at the same time and then integrate those together. We've made great strides to improve on those tools. For example, the IPHIS tool itself improves the surveillance knowledge base.

Right now, the public is bombarded by lots of commentary from everywhere and they're looking for clear information that's consistent, correct, that has some validity and, certainly, speaks with some authority. So part of our challenge is, first, to quickly gather that information and make sure our surveillance data is timely, correct and accurate; the messaging is consistent, working closely with communications at local levels as well as centrally—that means we have to communicate well within to make sure we are all on the same page at

the same time—and then to be able to say what we're doing to manage at the same time. When you do that communication with the public to deal with their apprehensions, one is to remove the myths, to identify what those are quickly, to get the clear information and data out, what you do know and don't know, as well as what you're doing at that time to handle it and what your next steps are so the public has a sense that the issue is well at hand. We're trying to work with different strategies, if you will, at the ministry and throughout the local health units—working together.

Mr. David Zimmer: Just one brief follow-up: Coming back to the one third of the units that don't have their plan up to steam, what would happen if an epidemic broke out next week in one of those units? Is there a plan for the ministry or someone else to step in and take over, given that they don't have a plan in place? What happens if something breaks out in France's riding?

Mr. Ron Sapsford: That would have to be addressed as part of the overall provincial plan. Part of the responsibility of the ministry during an outbreak, where there are insufficient preparations, is that we would have to step in; the chief medical officer always has the statutory authority to do that in the event of an inadequate response. We would have to marshal resources to apply them to that particular problem.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette?

Mr. Jerry J. Ouellette: Thank you for your presentation. You just have to look at the SARS outbreak or what took place with the new millennium and people buying generators and what happened at those times: People have a tendency to go back within about a month and just "not in my backyard," and I know that shows an I Am Legend or Andromeda Strain kind of mindset of what the expectation would be.

I may be dating myself, but can you just do a Coles Notes version, a walkthrough, of what would happen, say, in the community of Thunder Bay if there's an outbreak there? What would be the process and what would be the determining factors? Walk us through exactly what the expectation would be.

Mr. Ron Sapsford: I'll let Dr. Williams do that for you. The only point I want make is that SARS is not pandemic flu. They're very, very different.

Mr. Jerry J. Ouellette: I'm talking more about the actual reaction of the community in the short term.

Mr. Ron Sapsford: My only point is, generally, there's a common reaction to all of these things, where in fact the response needs to be tailored to what infectious carrier we're dealing with, but I'll let Dr. Williams speak to that.

Dr. David Williams: It is a good question, because all the time there are outbreaks in the province, in Thunder Bay and in smaller communities, and the advantage of the IPHIS tool that we put together is that Ontario retooled the tool and made it into an outbreak module, which means it's live-time case reporting. That means they will then assign outbreak numbers when it goes

above a certain level, and there are clear definitions of what those are.

1030

Mr. Jerry J. Ouellette: So what would it be in, say, a community like Thunder Bay, just to use it as an example?

Dr. David Williams: It depends on the disease. If you're talking about generals—as the deputy said, if you're not talking SARS, but other ones, because you start off sometimes with syndromic-type outbreaks, so you have an outbreak of a whole bunch of respiratory diseases that are showing up in emergency departments above the normal background—MOHs will address that; they have the extra staff that were added and they have their IPHIS reporting systems. They notify us if they have an outbreak on the go or if they suspect one. They don't have to have definite proof; they just have to have a suspicion of one.

Mr. Jerry J. Ouellette: At what kind of level do they decide that notification is necessary?

Dr. David Williams: For example, if you have a case like measles, we say any more than one case. With another disease, you need a larger cluster, so there are different definitions of different reportable diseases that will provoke an outbreak definition, because the background number is sometimes zero and if you have a case, then you have a concern. An outbreak means that you have clusters in time and place that indicate that there is some transmission going on within the community. There's normal, or it's above a background incidental case. So they will provoke or incur that in the IPHIS system and they will notify. When we identify that, we can then notify the medical officer of health or internal communications that there is an outbreak going on in some setting and they're aware of that.

Then, at that time, we assess to say, "How are they doing on it? Do they need any further assistance from us centrally or from other health units around?" if they were getting into a more expanded one. So you may start with a small one and it expands up. Perhaps another health unit starts to kick in with a report, and then you start to see that you have more than just a single city or a single little outbreak. That's when it starts to ramp up into a larger situation where the province takes on much more of a coordinating role, ensuring that the resources are there, the backup of epidemiological resources to support them, and, at times, acquiring some assistance from other sectors as well. So it's an ongoing, live-time assessment of each one to say, "Is it being handled well? Are all the cases being looked after? Is a medical officer of health, first, from his or her perspective, satisfied that it is going okay, and are we satisfied, or am I satisfied from the evaluation of my staff, that it is being handled in a timely fashion, or do we have to have some further information or more resources put into the issue?"

Mr. Jerry J. Ouellette: In the presentation, on page 6, you mention the Emergency Management Ontario part of the Ministry of Community Safety and Correctional Services. I know that in the region of Durham, they have

training for nuclear emergencies, and the police officers and emergency services are trained on a regular basis. Is there training out there for these individuals to know what their role would be at the time of a pandemic taking place in the community?

Ms. Allison Stuart: I'll be happy to answer that. There are exercises undertaken with great frequency. Probably there isn't a month that goes by that there isn't an exercise somewhere in the province that brings together all the parties in terms of, how would they respond in a pandemic? In addition, from a health perspective—just back to the exercise in Durham around a nuclear event—health is involved in that exercise because we've recognized that there's usually a health component to most emergencies, so we stay involved with exercise response.

Mr. Jerry J. Ouellette: So I'm hearing that you're training them on a regular basis to keep them informed of their role. At what point do they become involved in the process for managing a pandemic? Again to use the case of Thunder Bay, just to keep the community, when would they be notified and when would they know? We're going to lead up to the point of, what about the distribution of vaccinations? What is the decision-making process for individuals and where does the process take place, and not only that, but the extent of that? For example, if policing, fire, ambulance and emergency services are part of that, are their family members included in that process, because these individuals are expected, or the health care sector, to be working with these individuals who may be contaminated at the time, and then taking it home. That causes concern for those individuals working in that area. Can you kind of give us a breakdown of how that would be expected to unfold?

Mr. Ron Sapsford: Okay. In the case of a pandemic outbreak, that would result in, one would anticipate, the declaration of a provincial emergency. In that case, through cabinet, there is a central coordinating body which is the responsibility of—corrections.

Ms. Allison Stuart: Oh, MCS.

Mr. Ron Sapsford: Yes, MCS. And the deputy minister there is in charge of coordination of that. That group brings together, then, all the representative ministries that need to be involved in alerting their own sectors: municipal affairs, the OPP, the different parts of the government. Subsequently, they work with their local contacts at the municipal level for fire, police and so forth through the chief medical officer in terms of direction to the health care system and in support of the Ministry of Health to bring the health part of the plan into place.

So the overall provincial emergency plan includes invoking each sector of the government's responsibility and then linking to the local level.

On the question of vaccination, I'll let Dr. Williams answer. But the vaccine production and distribution of that is initially a federal responsibility, so the provinces will respond in terms of vaccination, its availability and distribution as a result of federal decision-making. Then

it's our responsibility beyond that point. But I'll let Dr. Williams talk about vaccination.

Dr. David Williams: If I'm clear—for some aspects around pandemic I'll let Allison comment too—is this vaccination in pandemic or vaccination if it's required in any other outbreaks? Which were you actually—

Mr. Jerry J. Ouellette: Well, just in the pandemic process right now.

Dr. David Williams: Right. We have our annual vaccination program, because a pandemic is an influenza. We have that going on on a regular basis, so health units are heavily involved and so are local providers in giving annual vaccination programs, for use too in Ontario through the universal influenza vaccination program. That has prompted us, and we've grown and matured through that to be able to vaccinate a large percentage of the population within a very short period of time in our annual campaign. So that has ramped up the system to be able to cope with that, both in the primary care office as well as through health units, with mass vaccination clinics when they operate that.

When the vaccine is available, and there are timelines, as the deputy has alluded to, and the federal government has it available to bring out and bring forward, then there is—actually, we've had some exercises, and Allison will probably talk about that, where we've tested through the provision of our annual influenza vaccination program how well we are equipped to be able to move quickly and carry out mass vaccination programs, what the glitches are that we would run into and that we'd have to address. So there actually have been exercises ongoing as we continue to nudge and look at that, as we gain further information from the vaccine manufacturers on how quickly they would have it available, what the restrictions are on that or restrictions we'd have to accommodate to, as well as other things around the mechanical aspects, the supplies and equipment, to carry out a vaccination program at that level. Allison has more to offer.

Ms. Allison Stuart: Just a reminder that the vaccine in a pandemic will not be ready for four to six months after the actual virus has been identified. We're lucky in Canada in that there is a home-grown developer of the vaccine in Quebec. They are committed to getting the vaccine out as quickly as possible, and there are negotiations always ongoing around how quickly. That will then come to the province, and then there's a distribution to the health units.

As Dr. Williams has mentioned, he referenced that in the fall we used the annual seasonal flu vaccine as an opportunity to test, at the provincial level, what we would do if we were trying to get vaccine out in a hurry, as we would in a pandemic and which we're not having to do with such urgency in a seasonal flu vaccine program. As well, we are inviting selected health units to use their annual campaigns to get people vaccinated as opportunities to test the system. We use those as exercises, put wrinkles into the process, so that they could challenge and test themselves in terms of their ability to respond. That material is now being collated

and shared with all the health units so they can learn from it.

1040

Mr. Jerry J. Ouellette: Okay. Any of us who have kids who go to school know that when anybody at school gets something, it goes right through the entire school. What work is being done with the school boards so that they're informed on the process, and how are they brought into this to make sure that one of the key areas of distribution of any disease could be addressed?

Ms. Allison Stuart: One of the public health measures that has been used historically to respond to other outbreaks, but specifically to a pandemic, is to close down those settings where there are a lot of people. As you've identified, schools have a lot of people, and they're not necessarily following all the rules of good hygiene. There are processes in place describing different circumstances and whether or not closing of schools would make a difference. The Ministry of Education has been involved in developing those frames of reference and then will further develop how they choose to proceed with their own pandemic planning. That work is under way, because we've spoken to many, many school boards.

Mr. Jerry J. Ouellette: I know that as a parent we sign off on the iodine pills in order for the schools to administer them in the event of an emergency. Are there sign-off sheets that are required? I know that there is a debate whether vaccinations should be or should not be allowed. Some people want them, some people don't. Do we have any processes in place to make sure that those can be taken account of in advance of anything happening?

Ms. Allison Stuart: The way we are approaching vaccines is if people turn up, they're implying consent. We do have educational material that's always available. Once we have information about the specifics of the vaccine—we won't have a long-term history of the impacts of the particular vaccine in a pandemic because it's new. But people will not be expected to sign individual consent forms in a pandemic.

Mr. Jerry J. Ouellette: Okay. What happens in the case of—the reason I chose Thunder Bay is because it's kind of isolated; I think it has the third-most-served airport in Ontario. What happens with infrastructure like train stations, airports, the trucking industry in those areas?

Mr. Ron Sapsford: Your question is what happens. Well, it's hard to—

Mr. Jerry J. Ouellette: I'm talking a pandemic, so all of a sudden you get fears from other jurisdictions saying, "Wait, any flights coming in or coming out." Have you addressed and looked at this issue or discussed it with those authorities?

Mr. Ron Sapsford: Yes. In terms of health's responsibility, we would see the priorities in those cases as distribution of things like vaccines and antivirals, and we're nearly finished a distribution plan which doesn't

rely on those modes of transportation so that we can assure delivery. That is part of our particular plan.

It's really difficult to estimate, though, the impact on infrastructure because it depends upon the size of the outbreak, the virulence of the disease, its transmissibility, and those are all epidemiological estimates. If it's a very huge and large outbreak, up to 30% of the population over the six- or eight-month period—this isn't all at once—it's going to have an impact. It's a question of an estimate of how many people at any one time will not be available to work or will be sick. That's part of the difficulty in the planning itself because you don't know how large you're estimating, you don't know what size or shape it is.

I think, based on the best epidemiology that we've got, the whole population will not be sick all at the same time. It won't happen everywhere all at the same time. As Dr. Williams has said, an outbreak tends to cluster, and then ebb and flow. So at one particular time it may be Thunder Bay for a period of several weeks, and then it will ebb out and normalcy return, but it may then spread to another part of the province. That's why it's important that every part of the province be ready. They each need a plan based on their own characteristics, and then the notion that the province will supplement resources as an outbreak continues and moves.

Mr. Jerry J. Ouellette: What work has been done with the Ministry of Agriculture or the Ministry of Natural Resources for transmission? Obviously we hear a lot in the news about the now-infamous bird flu virus that's taking place around the world. What's happening, or what relations are being taken into consideration to address that specific strain or impact?

Dr. David Williams: Over the last two years, we have been meeting regularly with those sectors. The chief veterinary officer and myself chair a committee that has a number of other subcommittees that work with it so that we will have a response if there's—

Mr. Jerry J. Ouellette: Who's on those subcommittees or what ministries are represented?

Dr. David Williams: We have the Ministry of Natural Resources, OMAFRA—agriculture and food—and public health as well to look at that, and representatives from the federal level. That would give us some insight and information on that in the laboratory services.

There are various subcommittees, including some other ones that look at wild bird surveillance tools. We've been doing some in conjunction with that organization as well to monitor, in conjunction with the federal surveillance program. We have that response planned to look at these test cases: If there's an avian case, how would we walk that through? Allison and myself have been involved with some conferences at the federal level to see that we work in conjunction with all their planning because when that occurs there are federal agencies that come in and start—CFI has a very prominent role to play; we've had meetings with them as well, working on information sharing, how we would then team up to work on that. There's been a fair amount

over the last two years, of course, as you noted, with all the interest in it; a contingency plan on how we would respond, including in-service and discussions at meetings with the medical officer of health, and sharing of experiences with some who have the same thing out in Saskatchewan and British Columbia and what they experienced in their outbreaks of suspected avian.

Ms. Allison Stuart: If I could just add to that, the Ministry of Agriculture, Food and Rural Affairs has an avian plan, so if there is an outbreak, they have a plan in place. We have a complementary plan to deal with the human impacts of an avian influenza outbreak so that we're supportive of each other. We have a GIS system, whereby we can get, in the case of an avian flu outbreak, a picture of the province and where all the farms are that have whatever the vulnerable animal population is, as well as relating it to where wetlands are—so where the wild birds are landing and if there are farms around it etc. We've worked really closely to try and have a seamless response.

Mr. Jerry J. Ouellette: Okay. That's the majority of my questions for now, Chair. Thank you very much.

The Chair (Mr. Norman W. Sterling): Can I just ask a couple of basic questions? The antiviral drug we are purchasing now costs about \$25. Sort of doing rough math, it's about \$25 a person; is it? Seventy-three million—three million is a quarter of the population, so it would be about 25 bucks a person?

Ms. Allison Stuart: It's actually \$23.33 for a treatment course.

The Chair (Mr. Norman W. Sterling): A treatment course, so that might be one or two or whatever number of—

Ms. Allison Stuart: That's actually 10 pills over the space of five days.

The Chair (Mr. Norman W. Sterling): And what is the shelf life of the drug?

Ms. Allison Stuart: I know where you're going. Five years.

The Chair (Mr. Norman W. Sterling): So the government is continually purchasing this in order to keep the drug enough in advance in terms of the manufacturing etc.?

Ms. Allison Stuart: None of our drug is out of date, but we will be approaching a time when our drug will be out of date. We're working with Public Health Agency Canada and Health Canada in terms of looking at whether the shelf life can be reviewed in terms of keeping it longer or whatever. That would obviously be a science decision, not a bureaucratic decision.

The Chair (Mr. Norman W. Sterling): Can a person purchase this privately?

Ms. Allison Stuart: Yes.

The Chair (Mr. Norman W. Sterling): Do they do that from the drug company, or do they do that from the government of Ontario?

1050

Ms. Allison Stuart: They would need to have a prescription from their physician, and then they could get

it filled at a drugstore, either paying themselves or through their insurance plans or whatever.

The Chair (Mr. Norman W. Sterling): If something happens and there is some identification that there is a problem, would a mother, let's say, in the west part of Ottawa, the area I represent, be able to go on the website and view what her options are for her family—small children, medium-sized children, older children, husband, mother—whom she should contact in that area, the phone number, the location of where those particular services would be?

Ms. Allison Stuart: I have to give a somewhat cautious response here, but that's the end point that we're aiming for at this stage. One of the reasons why we're looking at the flu centre is that we will be able to say, "Don't go to your family physician if you have the following symptoms; go to the flu centre," which then allows the family physician to carry on with regular business and ensures an expedited response for the individual or their family members with symptoms.

Also, in some of the material—I think it's this one—we do give advice in terms of how to respond. We also have further advice on our website and are developing it further, and that will include the ability to look at symptoms. Depending on which symptoms you tick off, you'll get a pop-up response that says, "For this, do whatever."

The Chair (Mr. Norman W. Sterling): We're all MPPs sitting in this room talking to you today. When a constituent doesn't get a service, sometimes they come to us and say, "I didn't get this service. I was turned down." I guess the number one question is, is your proposed critical care triage tool a public document now?

Ms. Allison Stuart: The triage tool has been public for two years. It's been in two different iterations of the pandemic plan. It got some particular exposure when there was an article written about it for the Canadian Medical Association Journal and it was picked up by some of the media. We're doing some limited public consultation on the proposed triage tool right now. We've completed one group, and we'll have another one coming up, to get a public response, and we're getting interesting feedback from the public in terms of how they want to know about it, when they want to know about it, that sort of thing.

The Chair (Mr. Norman W. Sterling): So if a constituent of ours gets a "no" answer to treatment or the vaccine or whatever, what are his or her remedies?

Ms. Allison Stuart: One of the messages that we have to work very hard to ensure that the public hears is that if you're not a candidate for critical care in a hospital, that does not mean you're not a candidate for treatment. It just means you won't be getting the critical care aspects of treatment. So there will always be treatment available.

For most people in a pandemic—and Dr. Williams will kick me under the table or nod if I get this wrong, but I think I have it right—the flu will be a flu. You'll feel miserable for a period of time and then you'll get better. That's how most people respond. For those people

who don't respond that way, there will be the ability to access treatment, whether it's through a flu centre, whether someone's ill enough that they must go to an emergency department or whatever.

The plan, in terms of the vaccines—and this is a national plan—is that there will be enough vaccine for everyone. It won't all come at the same time, but there will be enough vaccine for everyone.

The Chair (Mr. Norman W. Sterling): Regardless of the treatment that the person is seeking, and they are told no because of the critical care triage, is there an appeal process? Who has the final word? Is that defined? In other words, do we go to the medical officer of health for our particular area and say, "My constituent has been denied"—and maybe rightly so. There have to be decisions and we may support that, but notwithstanding that, we still have to advise as to the remedy.

Mr. Ron Sapsford: The purpose of developing the tool is as a clinical tool. The decision-making around who gets critical care or intensive care is still a physician's decision. The purpose of the tool is to help clarify the clinical criteria that physicians in, shall I say, a more equitable way will use in coming to those medical decisions. It's not something external to the decision about who requires care and treatment and at what level. It's trying to pre-plan for, in the case of a virulent flu, the clinical indicators that one would use in making a decision about the necessity of having critical care. That's one piece of it.

The second piece of it is the surge question that was raised. It's not only about who clinically needs access to critical care, but how we expand the capacity of an institution to provide that level of care in the case of a pandemic: what human resources, what other kinds of supply resources, where in a facility that expanded capacity would be developed, what impact that would have on things like admission policy under those circumstances. That's the other piece that we're testing in the Champlain part of the province. And then based on those results, the intention would be to move that across the province. It's essentially a clinical decision.

The Chair (Mr. Norman W. Sterling): But there is no appeal for this? Essentially the answer to the constituent is, "Go to another hospital."

Mr. Ron Sapsford: "Get a second opinion," like I hear you saying.

The Chair (Mr. Norman W. Sterling): I'm assuming that will happen and things will just pile up.

Mr. Ron Sapsford: Yes.

The Chair (Mr. Norman W. Sterling): Okay. Further questions.

M^{me} France Gélinas: I would like to ask a few questions about the second key issue that was identified in the report. That was concern that the tool—we're talking about the triage tool—had neither been tested nor submitted for public consultation. As I was listening to your answer, I think I got that you have completed public consultation with one group and intend to start another one. Was I right? This is what you said?

Ms. Allison Stuart: Yes. We're doing some limited public consultation. The process that we've used is quite intensive in that we have people come in for a day, because you can't really just phone somebody at dinnertime and ask them what they think; you really have to do a lot of education around it. The public consultation is still under way. There has been extensive consultation through the process of developing the tool with the critical care sector. The next step is to take it beyond the critical care sector.

We are also doing a study right now where in one critical care unit, after the fact, they're looking at applying the triage tool and seeing whether it matches up with what really happens to people, and that's another way of measuring its success. Clearly, when you're talking about life and death in a critical care unit, you're not going to be trying out the tool directly on people. That's sort of our proxy for doing that.

M^{me} France Gélinas: Could you just expand a little bit? I'm guessing people come to Toronto for a full day for those consultations. How are they chosen? What happens?

1100

Ms. Allison Stuart: I can speak to a bit of it, in terms of the process. Our first consultation was in North Bay, actually. We brought people together. The people were selected at random to reflect the population. They came in for a day. First, they were asked some questions and they filled in a questionnaire. Then they were given some orientation to pandemic and what it was all about and so on and so forth. They worked in small groups and were asked to answer questions. There wasn't a right or wrong answer; it was just "What do you think?" There was some further work done with the larger group, in terms of explaining the triage tool and how it was developed and so on, then breaking out into smaller groups, answering some more questions and then bringing it back to the larger group again.

M^{me} France Gélinas: So you have done one of those and you intend to do one more?

Ms. Allison Stuart: Yes.

M^{me} France Gélinas: Where will it be held?

Ms. Allison Stuart: It will be done in the GTA.

M^{me} France Gélinas: I don't know if you were there, but were there any representatives from the First Nations and the francophone population in North Bay?

Ms. Allison Stuart: Yes.

M^{me} France Gélinas: Are there some preliminary results that you could share with us? Do you know what came out of those consultations?

Ms. Allison Stuart: Not at this time. It would only be my personal recall.

M^{me} France Gélinas: You also said, "A pilot study by health care professionals is also in progress to test the best method of gauging the critical care tool's efficacy. Results are expected later." I'm just reading from your document. Could you give this committee a little more detail as to how this is done?

Ms. Allison Stuart: Sure. What's happening is that after people have been admitted to the critical care unit and are discharged one way or the other, their file is brought to two people who survey the file and say, "If we saw this person as being a potential candidate for admission to critical care and we applied the triage tool, would they be admitted, would they not be admitted," and then compare it to the outcome—did this person survive, did they die, those sorts of things.

M^{me} France Gélinas: I'm not familiar with that type of research, but is this how other jurisdictions test? Basically, a tool assists you in making a decision. It wouldn't take away the judgment by a professional. Am I right?

Ms. Allison Stuart: Part of the discussion that's under way right now among the professionals is whether a professional who is not involved with the care of the patient should look at what is presented or whether the person who is caring for the patient should do that. Now, before a patient gets into most critical care units in the province, the patient is assessed by the critical care team as to whether it's an appropriate place for them. So it would be similar to that process.

M^{me} France Gélinas: The last one you talked about was a pilot project in surge capacity planning that's going on in the Champlain LHIN. Has anything come out of this yet that you can share with the committee?

Ms. Allison Stuart: That one is not really a test. It really is, how do we develop surge capacity for something other than a pandemic; if there's another kind of event, like a train derailment, how do we develop, how do we want to do it in our area? They've been developing those mechanisms within that LHIN and it will, at the appropriate time, be shared with others.

M^{me} France Gélinas: I forgot to ask a question when we were talking about the health unit. I know that there are some First Nations communities that receive services directly from the federal government, usually through a nursing station etc. Are those also mandated to report back for the IPHIS tool, or are those populations not included?

Dr. David Williams: We have worked out a relationship both with Health Canada and the First Nations and Inuit health branch so that when the reportable diseases come back—because they'll usually use our laboratory systems in Ontario, and the laboratories are required to report to the medical officer of health in their jurisdiction—we transfer that information to the counterpart in the First Nations community and then they take action on that, and we have an arrangement as to whether we will incorporate that into our IPHIS report or if they would like to report them in aggregate to us. There are arrangements to work with the various First Nations health care providers, because some have self-government status and some have it, as you said, through the federal government, as well. So there are varied arrangements depending on the provider.

M^{me} France Gélinas: Are they part of the health unit's pandemic planning exercise?

Dr. David Williams: They are invited to be part of that. I know that in the northwest there were representatives on the planning committee who became involved with that. Certainly, it's a major concern to have them present at the table to address their unique concerns and issues, in conjunction with the federal officers who have jurisdiction in that area.

Ms. Allison Stuart: I'd just add that we do have a chapter in our pandemic plan for First Nations communities. It was developed in conjunction with First Nations communities and was signed off by the First Nations communities and is being used in other jurisdictions now.

M^{me} France Gélinas: There are some First Nations communities that get their services from the Ontario government, and to me that was kind of a given. I just wasn't sure about the First Nations and Inuit who get their health services directly from the federal government. Those are also included in that chapter?

Ms. Allison Stuart: Yes. And there is a commitment in place that antivirals for treatment purposes and vaccines will be made available through the Ontario supplies.

The Chair (Mr. Norman W. Sterling): Do we have further questions?

Mrs. Laura Albanese: What has been done to ensure that there will be enough health workers in the case of an outbreak?

Mr. Ron Sapsford: There have been a number of things put into place. Initially, concern around the care of workers who are providing care to people who are ill—so the stockpiling of protective equipment, such as the N95 masks, gloves, gowns, that are specifically directed at health care workers. The principles in the Occupational Health and Safety Act are also being incorporated so that maximum protection can be provided for health workers.

Again, I think it's important to recognize that if this is a pandemic influenza, health workers will become ill, not specifically from their work environments, but simply because this is a disease that's spread in the community—so the notion that their child comes home from school and that's how they contract the disease, not by providing care on a hospital ward. It's important to recognize that health care workers are just other members of the population in the face of pandemic.

There are still some outstanding questions that need to be addressed: the use of antivirals for prophylaxis. Our stockpile is related to the treatment of people who are actually ill. There is still the question, and it's on the federal-provincial table, about the use of antivirals as a preventive measure. This is principally a scientific question, and there is no unanimity on the view. Nevertheless, there's a policy question that needs to be addressed. That would be another aspect of it.

I think in this province, particularly, the heightened sensitivity of our health care community as a result of SARS has increased the level of vigilance, not only in the ministry, but also in health care facilities. Certainly, the professional associations, the colleges of our health care

professions, are all well aware and concerned. So the level of co-operation and diligence that different health care association groups are providing to this question of health workers' safety has been very helpful for the ministry in establishing the broad policy outlines for the pandemic plan.

1110

The hand-washing program that we've developed, the development of the pandemic networks across the province—all of these initiatives are directed at health care workers and their health and safety as well.

Finally, there's the question that was raised about volunteers, recognizing that health care workers will get sick and the question of, how does one maintain service? So the notion of being able to, in a cautious and prudent way, move health workers to areas of need is another area that we're looking at to support health care workers. There are legal, regulatory and liability issues involved in those kinds of questions, but we have engaged in that debate with the colleges initially because, to a degree, this is a question of licence, availability and appropriateness.

As well, we are looking at scopes of practice, and in the face of a pandemic there is quite a rigid set of rules about who can do what to whom and when: In terms of medical treatment in the face of pandemic, are there any of those regulatory or policy barriers that need to be relaxed a little bit, simply because of the volume of care and service that would need to be provided, particularly in areas like vaccination, which to a large extent is a pretty straightforward procedure? Are there ways that we can maximize the use of all health professions in those particular circumstances? That's a piece of work as well that we're undertaking with the colleges.

Mr. Jerry J. Ouellette: Just one quick question. You had mentioned, when the Chair asked you about the shelf life of vaccinations, that it was five years. Every year, they inform us that there's a new strain out so we need a new vaccine. How does that play into the goods that are on the shelf waiting, as new strains come out every year?

Mr. Ron Sapsford: We're, first of all, talking about two different things. The annual flu cycle does not fall within the definition of pandemic. So I'll let Dr. Williams talk about the vaccine piece.

Dr. David Williams: Just to be clear, though, you're mixing up the antiviral versus the vaccine. It's the antiviral that has the five-year shelf life. It has a broad spectrum approach for all, and it's being assessed all the time to say, "Are there any resistant strains coming forward for that particular drug?" So that's why they picked the one in particular that we've stockpiled. And we have another portion, which Allison can talk to. We have two types. That's different from the vaccination.

The vaccination—annually, of course, they project which ones are going to be circulating in the next upcoming year. They monitor that, as they come in, in cases to see the content of the vaccine that's prescribed by WHO. The vaccine manufacturers put it together and we carry out the program in the fall. Then, as cases come

forward: "Is it a good match? Are there any strains that are coming that are different from that?"

Mr. Jerry J. Ouellette: Right. So the antiviral, though, will affect all strains?

Dr. David Williams: There is ongoing monitoring, yes. One of the questions right at the start will be, "Is it sensitive or not?" They can do that fairly quickly. When you first identify a strain of a pandemic, as the deputy was saying, as compared to annual flu, they can do some microbiological testing, saying: "Is it sensitive to all types of antiviral drugs; these ones in particular? Are there any concerns?" That'll be one of the things that happens most quickly.

Mr. Jerry J. Ouellette: So how would we know—if we have a stockpile of 25% for five years—if we have the right stockpile?

Dr. David Williams: So far, the main one we've stockpiled has shown itself to be very robust in being effective in most of the cases that have come up for it on that one, and knowing it's going to be an H1N1, most likely, it will be sensitive to that.

At the same time, nothing is 100%, and we have to be cautious. We have to depend on asking those questions and say, "Can you ensure that it is really sensitive?" because it would be of no value if it was resistant. To do that, we want to make sure we have the other options available to us to be able to advise accordingly. But so far it's met the test. There have been some blips and questions on a few things, but that's part of the testing of the system of the monitoring and evaluation on a live-time basis.

Mr. Jerry J. Ouellette: Can you project five years from now what sort of strains may be peaking at that time?

Dr. David Williams: Knowing that the pandemic, because of what it is, will not be one that will be surging—it will be so different; that's what a pandemic is. It's a type of strain that is quite antigenically different; people's systems have not had any ability to build up some cross-protection, in the true definition.

Now there is the question—because now, unlike 1918, we're vaccinating people on a regular, annual basis. They have a degree of exposure. Do they have some partial protection? They may, but no one knows, because you're correct. When the pandemic—because it is a pandemic, we won't know that strain. All of a sudden it will start to move through the community fairly quickly and demonstrate a lack of resistance among the population. That's one of the indicators of a pandemic.

Ms. Allison Stuart: If I could just add to that, I've asked similar questions a lot of times of a lot of people. One of the responses that I found helpful was, when we talk about a pandemic, we're talking about a flu pandemic; that's what we're talking about and planning for. To this point in time, even with the year-to-year changes that go along with the virus itself, the antivirals have been effective. As Dr. Williams has said, they may not be 100% effective, not a perfect fit, but they're a

good enough match to at least mitigate the impact of the illness.

The Chair (Mr. Norman W. Sterling): I was getting a little bit confused, perhaps. The antivirals, the pills that you talked about before—if something happened, I guess we would do an analysis of what the influenza is, and we would then decide whether we were going to use the pills or we weren't going to use the pills. Is that correct?

Ms. Allison Stuart: There are a couple of things: It is unlikely that the pandemic is going to start in Canada, so we will have the benefit of wherever it does start and the time lapse there, and we'll know whether the antiviral is 100% effective or something less than that.

The Chair (Mr. Norman W. Sterling): Let's say that it's not effective or something less than that; let's say that it's a very low effectiveness rate. Do we then vaccinate people with something? What's after that?

Mr. Ron Sapsford: There are two parts to this: The antiviral is really to lessen the impact of the disease; the vaccine is to vaccinate against it. We'll do both.

Once the virus is identified, the scientific community works as hard as it possibly can to make the vaccine. Then it's a question of how long it takes to produce the vaccine in sufficient quantities to distribute, and then proceed with the vaccination. The antiviral is only in the presence of the disease. I might add that you'll vaccinate everybody because you want to give people the protection against contracting the disease, because everybody won't get it all at the same time. The object is to produce the vaccine in sufficient quantity and time to inoculate those members of our population who have not contracted the disease, and hence give them protection against it. The antivirals you use only when people are sick with the disease. As Allison has said, our hope—and I have to tell you that this is our hope—is that it doesn't occur here first, because we will then know that people have contracted the disease, the pills will be given, and then the effectiveness of the pills will be known one way or the other. If, as you've suggested, Chair, they don't work for this particular strain, well then, you can't find other antivirals quickly because there's only a limited range. Then you have to wait until the vaccine itself is ready to inoculate people.

So there's that period of time between identification of a disease and the time it takes to make the vaccine where we have to be particularly vigilant, because this is the period of time when people will be getting ill, and in the face of no antiviral effectiveness, then you're simply coping with the disease with just normal clinical care and treatment of people who have the flu.

1120

The Chair (Mr. Norman W. Sterling): Okay. Further questions?

M^{me} France Gélinas: The first one has to do with the flu centres. The auditor said they were undecided whether to create them or not. Then in your report, you mentioned that the majority of health units are already working on flu centre planning. Are flu centres going to be mandatory in every plan of every health unit?

Ms. Allison Stuart: The flu centres are recommended. We would need to be told what the alternative arrangement will be that will fulfill the same purposes as the flu centre. By the way, Sudbury has a great plan.

M^{me} France Gélinas: I know.

Ms. Allison Stuart: A great plan.

M^{me} France Gélinas: The second one is—I forget; I think it was the fourth key issue by the auditor—that one third of public health units are without a full-time medical officer of health, and also, the vacancies in the public health division lab. How confident are you that all of these positions will be filled in the short term?

Dr. David Williams: Right now we're taking all sorts of steps to try and get those positions filled. We're in a very tight, competitive market and there are shortages across the whole country.

There are different training venues: fellowships in community medicine or for those who obtain a masters in public health. We have stipends that can be made available for those physicians who want to undertake systems of training. We're having discussions with the college on aspects around scope of practice, which is of concern right now, and transfer there; issues around licensing, because they need to be licensed in Ontario, and then those aspects that we have to go through to facilitate that from some different countries and aspects there.

Of course, we're continuing to have education sessions with students going through medical training, to help them see the light in coming to public health and to convince them of that. We've had a number of people applying to come over and take the training for a master's program, and there are various methods of taking it. They can take some part-time and full-time in going toward that status.

We have a number of people who have been applying and coming forward, so that's encouraging. But again, it is a very tight, competitive market. We're short in a number of specialties, so we're having to compete with that. We're working at different methods to fulfill that. At the same time, we have the potential to get support if we need to, to help out in certain situations.

M^{me} France Gélinas: Right now, we're almost in April 2008, end of March 2008. Is the situation better or worse than when the auditor did his report?

Dr. David Williams: We have two more who have entered the program in training, and I've met a number of the new acting ones. I was pleased at the number of new associate medical officers of health and the number of students who are coming through the university program. I'm encouraged by those who seem enthused about getting into it, but it does take some time to address. We're slightly better, but there are always people who end up retiring. It's like a revolving door in some cases to try and keep up with that.

M^{me} France Gélinas: I forget how many—are there 48 health units right now?

Dr. David Williams: Thirty-six.

M^{me} France Gélinas: It's lower, sorry. Do you know how many are presently recruiting?

Dr. David Williams: Yes. We have an active list and they notify us either when there is a medical officer of health leaving or when they are going through the recruitment process. We give them the tools and assistance on how to carry out that recruitment process. As well, they give suggested names to my office, people they would like to be considered as potential candidates. Then we review their qualifications etc.

M^{me} France Gélinas: Are things getting better?

Dr. David Williams: They are a little better than they were when the auditor a few months back—I've had some different ones resigning.

M^{me} France Gélinas: But we're not celebrating yet.

Dr. David Williams: It's moving back and forth on different ones. It's pretty well still about a third, but there are some coming up the ranks, so it's slightly better. I would say it's the picture at this time.

M^{me} France Gélinas: You've put in place some longer-term efforts to change this through what you have in your report, but basically it's still very tough?

Dr. David Williams: It's tough going. We're trying to do our best to look at any way we can to continue to improve that situation.

M^{me} France Gélinas: I was also looking at acquiring the 55 million N95 masks. You state in your report, "Over 60% of this stockpile is expected to be in place by the end of this month." Do you have a target date as to when 100% of the stockpile will be in place?

Ms. Allison Stuart: The limitations in terms of building the stockpile have in large part been due to the availability of the product. We are purchasing the equivalent of—I've got to get this right—10 years' normal use of N95 respirators. We're purchasing them in bulk, so we're having to work with the manufacturers in terms of availability. We'll continue to chip away at it until we have it done. We've done that 60-odd per cent this year, so that's very good.

M^{me} France Gélinas: Would you think you'd be at 100% by next year at this time?

Ms. Allison Stuart: I would hope so. It's a matching of resources—the resource of the N95 respirator, the funding—all coming together and then proceeding.

M^{me} France Gélinas: I have never used that term "respirator." We always called it a mask. Am I talking about the same thing?

Mr. Ron Sapsford: They're special masks. They're form fitted.

M^{me} France Gélinas: The same N95 we used during SARS?

Ms. Allison Stuart: Yes.

Mr. Ron Sapsford: Yes, that's right.

M^{me} France Gélinas: We had a really tough time getting them. We ended up getting them at Home Depot during SARS.

Mr. Ron Sapsford: As Allison has said, when we put in the massive order that we have, it's a question of the production capability and actually getting them. The

companies involved now know what our requirements are and are beginning to adjust accordingly. On this one particularly, we're also—because of this 10-year supply issue—interested at the same time in having a way to circulate a proportion of that so that we're constantly renewing it as opposed to setting it aside and letting it age. That's a part of the discussion. We're not quite through that yet, but we want to do it in a way so that it's replenishing itself as opposed to simply sticking it in storerooms. There are some complications around creating a supply in the first place that we're working through at the same time.

Ms. Allison Stuart: The N95 respirator, by legislation, must be personally fit to a person's face. Our deputy is not able to have an N95 respirator yet that fits him properly, but we're still working on it.

Mr. Ron Sapsford: I don't do masks.

Ms. Allison Stuart: The respirators we are purchasing are matched to the respirators that the field is stockpiling for their own use, because there's no point in us having a different kind which would require everybody to be fitted over again.

M^{me} France G  linas: I remember during SARS, we had a nurse who was trained to assess you to make sure

that your mask was well fitted. Will we have to go through that on an ongoing basis during a pandemic?

Mr. Ron Sapsford: For health care workers, in terms of their own planning and their own ongoing control of infectious diseases, yes, they need to know their fit, and that testing is part of the process that goes on. For those health workers who haven't had it, then yes, that's the requirement. In order to use it appropriately, it has to fit appropriately. That's an ongoing requirement.

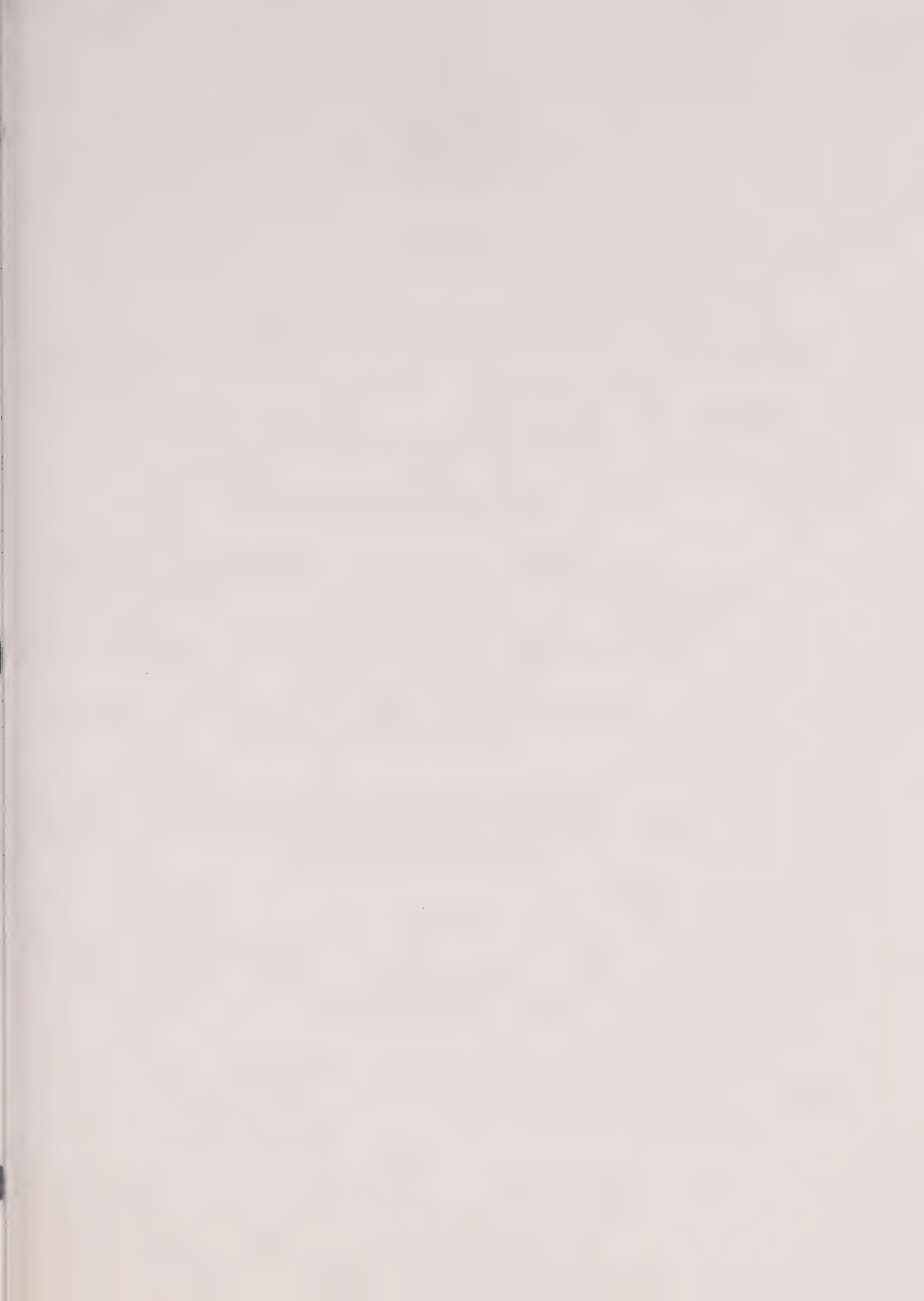
M^{me} France G  linas: Those are my questions. Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. Any further questions from any members of the committee? If not, thank you very much for appearing.

Mr. Ron Sapsford: Thank you.

The Chair (Mr. Norman W. Sterling): The committee will meet in camera immediately after in terms of trying to give the researchers some indication of what might be included in our report on this hearing. Thank you very much.

The committee continued in closed session at 1130.



CONTENTS

Thursday 27 March 2008

2007 Annual Report, Auditor General:

Section 3.12, outbreak preparedness and management	P-71
Ministry of Health and Long-Term Care	P-71
Mr. Ron Sapsford, deputy minister	
Ms. Allison Stuart, acting assistant deputy minister, public health division	
Dr. David Williams, acting chief medical officer of health, public health division	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Ms. Laurel C. Broten (Etobicoke–Lakeshore L)

Mr. Joe Dickson (Ajax–Pickering L)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Shafiq Qaadri (Etobicoke North / Etobicoke-Nord L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

4201
221
072



P-6

P-6

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 3 April 2008

Journal des débats (Hansard)

Jeudi 3 avril 2008

Standing committee on public accounts

2007 Annual Report,
Auditor General:
Ministry of Natural Resources

Comité permanent des comptes publics

Rapport annuel 2007,
Vérificateur général :
Ministère des Richesses
naturelles

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 3 April 2008

Jeudi 3 avril 2008

The committee met at 0941 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF NATURAL RESOURCES

Consideration of section 3.06, fish and wildlife program.

The Chair (Mr. Norman W. Sterling): Good morning. My name is Norm Sterling. We are considering section 3.06 of the Auditor General's 2007 report on the fish and wildlife program. This was a choice by the Liberal caucus, to bring this particular matter before the committee. We have with us David Lindsay, the deputy minister of the Ministry of Natural Resources, and several of his officials.

I will say, Mr. Lindsay, before you are introduced, that in our closed session I informed all members of the committee that you are an avid birdwatcher, so watch what you say about the birds. I'll give you an opportunity to lead off, so go ahead, Mr. Lindsay.

Mr. David Lindsay: Mr. Chairman, I know your experience with birds is pretty much limited to the golf course, so—

Interjection.

Mr. David Lindsay: Yes, that's right. Pleased to see you again.

The Chair (Mr. Norman W. Sterling): Mr. Lindsay, before you embark, I should mention that we have an official delegation from China, from Jiangsu province, who are primarily interested in the financial committees of this Legislature, so they are joining us.

Go ahead.

Mr. David Lindsay: First, thank you very much, Mr. Chairman and members of the committee. We appreciate the opportunity to come and appear before you today. We're very pleased to respond to your invitation and speak to the Auditor General's review of the Ministry of Natural Resources, and particularly our fish and wildlife branch.

Let me begin by introducing some of my colleagues who are going to be helping me this morning. Charlie Lauer is the assistant deputy minister of the field services division. David de Launay, who is also with us this morning, is the assistant deputy minister of the science and information resources division. David Lynch is our

chief administrator and the ADM of corporate management. Kevin Wilson, to my immediate left, who has the main responsibility for the unit that the auditor reviewed this year, is our ADM of the natural resource management division. Because of my relative newness in this position, they all thought they should come out to either support me or correct me, so I appreciate that help.

As you know, the auditor's report did deal with findings in fiscal year 2006-07. We certainly welcome his input and recommendations for the program. Since the report was tabled, we have been working to respond to his suggestions.

An important contextual piece for today's discussions might be some good news that the ministry received in the budget just last week from Minister Duncan. Our base funding for the 2008-09 fiscal year is going to be set at \$780 million, which gives us a funding increase of approximately \$55 million year over year. So this will help us go a long way to addressing some of the issues the Auditor General identified and other things that we have as government priorities.

Over this past fiscal year, the government also made some significant capital investments in the ministry. These capital investments will give our staff on the ground better tools to do their jobs. As you know, we have a very large field services element to our program delivery as a ministry, and, in order to be able to do our work, we have successfully procured another 305 vehicles.

We will be taking receipt of another 756 new satellite phones. As you can appreciate, it's a very large province and a lot of the work from our parks staff and our forest firefighting units and others takes place in parts of the province that have no cellphone coverage. So the use of satellite phones is very important, not just to do our job but for health and safety reasons as well.

In addition to the 300-plus vehicles and the satellite phones, we're also taking receipt of two new helicopters to add to our fleet.

So, in addition to the operating dollars, the capital investment is very helpful in delivering our programs.

What I'd like to do in the brief time I have as an introduction is do three things. First, with your indulgence, I'd like to provide a little bit of context for what we do in the Ministry of Natural Resources, the immense scope of our ministry and the purpose that we have been given by the government; second, I'll talk briefly about

some of the recent challenges and achievements we've been addressing; and then I'll focus specifically on about eight items that were raised in the auditor's report.

Let me begin by talking about our purpose and mandate. In becoming deputy minister, it didn't take me too long to realize that the Ministry of Natural Resources has in fact one of the broadest mandates of any ministry of our government. You would know that our responsibility is for managing the resources of our province, but that is an easier phrase than what is really behind it.

I have some maps here, if we could maybe circulate them to members, just to give you a sense of the size of what we're dealing with here. The province of Ontario outlined on this schematic is overlaid on a map of Europe. You will see that the land mass of Ontario is greater than Austria, Belgium, France, Italy, the Netherlands, Slovenia and Switzerland combined. We're equivalent to the size of about seven countries in Europe.

We're managing resources in an area greater than a million square kilometres, and that area includes a quarter million lakes, hundreds of thousands of kilometres of streams and rivers, tens of thousands of species of plants and wildlife, and habitats that range from the tundra in the far north to the Canadian Shield and the Carolinian forests in the south. It's hard to imagine that one province in Canada has polar bears inhabiting the far north and prickly pear cactus growing wild in Point Pelee in the south—a huge range of habitats and diversity of species, and I won't even start on the birds today.

The diversity of species and habitats is matched by the diversity of public policy issues we've been asked to address. We certainly have a great diversity of stakeholders as well.

0950

We've got Ministry of Natural Resources staff in 148 communities across the province. During the summer months, when our parks are fully operational and we have a particularly aggressive forest fire season, we could have our number of employees grow from 3,500 in the winter to over 7,600, more than doubling our staff in a fiscal year.

We manage and protect the forests, the fisheries, the wildlife, the parks, mineral aggregates and even our petroleum resources, in southwestern Ontario. The crown lands and the waters that we're responsible for make up 87% of the province's land mass. We enforce public and industry compliance with the laws that govern our resources. We're also responsible for protecting people, property and communities from forest fires, floods and other natural emergencies. We're a key player in the government's efforts to mitigate climate change. We deliver programs to help seek out alternative energy sources such as wind and water power. We work with conservation authorities and the Ministry of the Environment to ensure Ontario's water systems are clean, safe and reliable.

Managing and protecting Ontario's natural resources requires that we do much more than simply set fishing limits for any particular lake, determine the use of a particular piece of crown land, monitor a flood or fight a forest fire. We must develop policy and manage programs using an ecosystems approach. Each physical and biological component of the environment is connected and every management decision can have impacts on other parts of our environment.

We must constantly balance the three legs of the sustainable development stool that Gro Brundtland identified many years ago. In everything we do, the ministry must balance our economic, our social and our environmental impacts on resource management decisions. So our unique mix of scientific research, program delivery and policy development places us in a strategic position to help the province deal effectively with resource management and environmental challenges that we're facing in the 21st century.

The ministry is fulfilling that diverse mandate in managing our resources quite responsibly, I would say. As part of our management approach, we're constantly re-examining and adapting policies and programs to respond to changing knowledge, information, attitudes and opinions. That responsiveness to new policy thinking, new information and new circumstances is why we changed the provincial parks and crown reserves act, the first time it was changed in some 50 years. It's why we expanded partnerships we have in the conservation of various spaces and made it easier for southern Ontario landowners to voluntarily protect and restore the natural areas on their private property. It's why we produced the biodiversity strategy for the province. The ministry's responsiveness has also helped us to work with a new bi-national agreement to protect our waters and watersheds in the Great Lakes.

We can point with some considerable pride at the staff level, those who have been working on the new Endangered Species Act, to a piece of legislation that's coming into effect in June and will be the strongest of its type in all of North America. Clearly, it's important to remain in tune with the most up-to-date science and information and to respond to all of the challenges that face us. That's one of the reasons why we're so pleased to work with the Auditor General's report and adapt with changes in our programming to respond to the issues he's identified.

One of the large external challenges we're facing, not just as a ministry but as a province, and one of the biggest challenges we will face, is climate change. The effects of climate change will have a great impact on Ontario's ecosystem.

Some of the species and the ecosystems that we currently enjoy in this province will change considerably as a result of the warming of the climate and climatic changes. It's a possibility that parts of the boreal forest could actually be replaced by tree species from further south in Ontario. We need to start thinking about how those types of changes could impact the forestry industry

and the communities and families that depend on that industry. A warmer climate is already affecting patterns of insect and disease outbreak in our forests. The mountain pine beetle has already become a big problem for the forest industry in British Columbia. That's in part due to warmer winters, so not as many of the beetles are killed off in the winter season.

In addition to our forests, our water system is also something we're responsible for thinking about and developing policies and responses to. It too could be affected by climate change, including our fishery, both our commercial fishery, which is the largest in the world, and recreational boating and Great Lakes shipping.

The auditor's report, then, highlights the importance of our fish and wildlife program, and the impacts of climatic change are one of the significant things we're thinking about with respect to that program and everything we do as a ministry. The ministry strategy for dealing with climate change has three main goals. First, we want to get a better understanding of this worldwide phenomenon. Second, we want to figure out how we can mitigate those impacts. Third, we want to help Ontarians adapt by communicating the knowledge we have and having a greater understanding of how our policies and programs need to evolve to respond to those changes.

We're fortunate that our scientific staff in the ministry have been leaders in doing much of this research over the last number of years, and so I believe we're in a good position to significantly contribute to policy development and programming changes to allow us to respond to this critical agenda. I think our risk management in that regard is quite robust.

In the brief time I have left, let me speak specifically to some of the items that were in the Auditor General's report. First of all, on behalf of all the staff in the ministry and the senior management team, we do want to thank the Auditor General and his team for an in-depth review of the fish and wildlife program and the constructive recommendations that he did make. Thank you. We've accepted the report and are already making progress towards reacting to many of those recommendations. Let me briefly touch on eight specific items that he addressed.

First, species at risk and the Endangered Species Act: Ontario is home to more than 30,000 species in the province. It is that biodiversity which is so vital to our healthy ecosystem, and it is a healthy ecosystem which is also important to the biological, social and economic vitality of our province. At present, more than 180 species have been identified as being at risk, which means that they may disappear from Ontario if their rate of decline continues.

As I mentioned, the new Endangered Species Act, which will take effect in June, was a milestone achievement for the government, and it has set a North American standard for species-at-risk protection and recovery. With this new act, we'll triple the number of species and associated habitats that will be protected. Within five years it is our plan to have completed the

recovery strategies for all endangered species and threatened species which are currently identified. We'll accomplish this through greater involvement from landowners, resource users and conservation organizations. The government is backing this important stewardship approach with funding to the tune of \$18 million over four years to promote activities to protect essential habitat and green space.

The second item the auditor raised was invasive species. He recognized the devastating impact that invasive species can have on the province's native fish and wildlife populations, on the habitat and on our overall biodiversity. We agree that maintaining a healthy natural environment must include controlling the introduction and the spread of invasive species. That's why the government committed in last week's budget to allocate \$15 million over the next four years to establish a new invasive species research centre in Sault Ste. Marie. We'll be seeking support from the federal government to help develop that centre.

In recent years, invasive species have become an increasingly urgent issue here in the province of Ontario. I'm sure members are aware of the challenge of zebra mussels, purple loosestrife, gobies and many others. In the Great Lakes alone, there are more than 180 invasive species detected so far. We estimate there are probably two new species every year still coming into the Great Lakes. We know that the best way to control invasive species is to prevent their entry in the first place. Many aquatic invasives arrive in our Great Lakes through the ballast water of ocean-going vessels, so the ministry has spent a number of years working with the federal government and encouraging them to take action on ballast water. We're pleased to report that that effort has paid off. Transport Canada brought forth new regulations to require vessels to flush their tanks before entering the Great Lakes. The next critical step, however, is that we've got to get the Americans to adopt similar policies to prevent that ballast water from being discharged into our Great Lakes.

1000

Of course, once an invasive species arrives, we must do everything in our power to limit its spread. We've had good success in working with our partners, and I want to pay special thanks to the Ontario Federation of Anglers and Hunters for helping us to promote and disseminate information about invasive species and spread information on the aggressive growth of a number of these species. Working with our partners, we want to remain vigilant in finding ways to close pathways so they can't spread, and raise more public awareness and eradicate, or at least contain wherever we can, the spread of these species, both on the land and in the water.

The third issue the Auditor General raised was bear management in the province. He recommended that we strengthen our efforts to gather reliable and accurate data. I want to emphasize that we in the ministry believe that our bear population is healthy and being maintained sustainably, but more information is always helpful. We

currently estimate the province has between 75,000 and 100,000 bears. It's actually one of the three largest bear populations on the continent. With our partner at Trent University, we have a DNA analysis system to substantiate and expand our knowledge of black bear populations. So we're continuing to gather new data on bear management. We've seen an increase in compliance with the mandatory harvest report that the auditor referred to for resident bear hunters. That came into effect in 2005 and it's been on a bit of a learning curve, but we're pleased to report progress in the compliance with that reporting.

To respond to the auditor's recommendations and ensure our management decisions are based on relevant and current science, we expect to begin consulting in the coming months with stakeholders and interested parties on a draft enhanced bear management framework. The Auditor General didn't make any recommendations or refer to the issue of nuisance bears. However, I'm assuming we may get into that during the question period.

The fourth item I'd like to touch on is the moose management program. The Auditor General expressed a similar concern regarding the need to gather reliable data about moose populations and the development and implementation of moose management policies for the province. We do have a sustainable moose population that supports a variety of uses: for viewing, tourists—in my previous portfolio, outdoor tourism was a growing sector—and other recreational activities, including our traditional culture of hunters, both residential and non-residential.

The fifth issue I'll touch on briefly—I'm conscious of my time—is the commercial fisheries and bycatch. In turning from the wildlife issues to fisheries, the auditor raised the issue of quota enforcement and bycatch policy. For those of you who may not be familiar with the term, "bycatch" refers to the incidental catch of species that weren't targeted by the fishery. Ontario has a well-regulated commercial fishery. Each licence holder is assigned a harvest quota. The data for fish harvesting is collected for the ministry by the Ontario Commercial Fisheries' Association through a joint management agreement, and this is monitored very closely by our MNR enforcement staff. The actual harvest was below or within 2% of the total allowable catch for each of the Great Lakes commercial fisheries for both 2006 and 2007. Fisheries managers tell us that bycatch is not threatening our fish sustainability. We will certainly continue to monitor this activity very closely.

There was a reference in the auditor's report to aboriginal fishing, so it's the sixth item I'd like to raise with you. The Auditor General expressed concern about some aspects of fishing in our aboriginal communities. We've made progress in framing this complex issue—the legal and policy issues of aboriginal rights—and commercial fishing is an issue we've been working on.

Our preferred approach is to work with First Nations communities to negotiate aboriginal communal fishing

licences. A communal fishing licence is working successfully in some areas already. We're continuing to make efforts to engage First Nations in discussions over fisheries and certainly we'll consider all options, including enforcement, if that becomes necessary.

The seventh issue that was raised in the auditor's report, and something that I know members have expressed concerns about, is compliance and enforcement. Compliance and enforcement are and will continue to be a core function of the Ministry of Natural Resources. We are continually looking at ways to improve our enforcement programs and ensure resource sustainability, as well as public safety. As part of the ministry's increase in the 2007-08 budget, the enforcement branch received approximately \$1.6 million of additional funding and we anticipate topping that up even further this year with the most recent announcements in the budget.

In 2006, members would be interested to know, the ministry undertook a new approach to enforcement operations, trying to target our enforcement activities in higher-risk areas, a risk management approach. This targeted enforcement means that conservation officers are continuing to ensure compliance with the law that regulates our natural resources, but with a stronger focus on the kinds of activities that will pose a greater risk to public safety and the ministry's mandate of sustaining our natural resources. The new approach emphasizes the important role for community outreach and public education. Our tips line is quite active. We're hopeful that all of these efforts are being quite successful in generating increased compliance across the province.

Finally, I'd like to address the auditor's recommendations on funding for the fish and wildlife program. I'm sure any deputy minister or minister who appears before this committee would always welcome additional funds for any program they're responsible for. That being said, I believe the ministry's fish and wildlife program is effective and consistently provides good value for money—the money we've been allocated—clearly demonstrated by the number of significant enhancements and achievements we've accomplished. As I said at the outset of our remarks, we try to adapt and respond to new knowledge, new information, new technology.

The new endangered species legislation was an additional \$18-million expenditure. We've invested more than \$15 million to upgrade the Dorian fish hatchery in Thunder Bay. We have a new Ontario biodiversity strategy that we're very proud of. We've established a new ecological framework for fisheries management that makes angling regulations easier to understand and improves our understanding of the state of the fisheries through better monitoring, and we are creating advisory councils to allow anglers to have more important and meaningful input into the management of the resource.

We've developed a provincial conservation strategy for wolves, and the bear wise program has proven to be quite successful. We're also quite proud of the work we've done with our partners in re-establishing Atlantic salmon in Lake Ontario. So far, we've stocked more than

700,000 young salmon into the tributaries of Lake Ontario. It might interest members to know that we actually discovered an adult female Atlantic salmon migrating upstream to spawn in the Credit River just last year, so that bodes well for the future of this species.

That's just a partial list of some of the activities and work we've been doing in the fish and wildlife program, building on our record of achievement in the past, and continuing to adapt to new knowledge and new information. We want to continue to deliver on our mandate on behalf of the government.

I've talked a lot about the Ministry of Natural Resources making a difference in influencing our lives and the economy and society. I've highlighted some of the achievements we've accomplished with the resources we've been allocated and I've touched on some of the specific recommendations in the auditor's report.

So with that, I'll conclude and look forward to a dialogue.

The Chair (Mr. Norman W. Sterling): Thank you very much. Ms. Sandals.

1010

Mrs. Liz Sandals: Yes, thank you. One of the concerns that the auditor raised in his comments was around the moose population, and in some areas whether there were more tags than were sustainable. I wondered if you had any comments on how you measure that, and the different terminologies, and if you could help us sort out what's really going there.

Mr. David Lindsay: The moose is probably the most intensely monitored and managed wildlife species we have in the province. There's a lot of interest in it. So your question is a very good one. We have a robust system and I'm going to ask Kevin to give us some of the technical details in a minute, but I would like to begin with a couple of comments.

The challenge we face with managing the moose population—I've only been at this for a couple of months, but I think I've figured it out. We have approximately 100,000 moose in the province and we have approximately 100,000 moose hunters in the province.

Mrs. Liz Sandals: They can't all hunt.

Mr. David Lindsay: If everybody got a tag in the same year and everybody was successful, we'd have one year of moose hunting. So that's the 40,000-foot layman's understanding of why we have to have such a robust and detailed management of our moose population.

I would say that in our surveys this year, we've actually been quite successful. The moose survey work happens in the wintertime when the snow is on the ground and you can see the animals. We've successfully done surveys in about 20 of our moose management areas. We're adding more data and we're analyzing that data right now. I cannot off the top of my head give you all the complex responses to the definitions, but I know that Kevin has explained it to me several times and he'd be glad to explain it to you now.

Mr. Kevin Wilson: My name is Kevin Wilson. I'm the ADM for natural resource management division, and before I touch on the issue of some of the definitions that were referenced in terms that the auditor's report spoke to, maybe a couple of other observations.

Some very good, helpful recommendations from the Auditor General. We have undertaken a review of our existing moose policy that's going forward this year in a fairly comprehensive way. We felt that it's timely for us to look at updating the overarching policy framework that we use to manage moose in the province. An element of that, which will be undertaken next year, will start to look at the model that Ontario uses for allocation of moose, for the issuance of licences.

There are several definitions that are referenced in the Auditor General's report and those revolve around quota, population targets, estimated populations and huntable populations. To begin, over a long period of time, the ministry has been establishing population targets which are essentially long-term goals for the management of the moose herd for the province, and then individually for geographic areas called wildlife management units. There are observations made in the Auditor General's report that some of these population targets weren't being met. We certainly agree with that and we feel that it is timely for us to come back and start to look at those population targets, to determine whether they are current and reflective of things like existing climatic conditions and whether they need to be updated in some places and modified.

A second thing that we do is actually undertake a calculation of the estimated population of moose. This is a conservative number that is reflective only of the moose that are actually seen and visibly identified through things like aerial inventories that the deputy has spoken about.

Mrs. Liz Sandals: If I may interrupt, the estimated population then is just what you've seen. That isn't the actual population?

Mr. Kevin Wilson: That is correct. It is a conservative number and we use it not for the purpose of setting tag quotas for hunting purposes, but to help us manage the moose as a species over the long term, and it would be useful in helping us set population targets.

The third term that's referenced in the report is that of the huntable population. The huntable population is actually a combination of moose that are visibly identified through aerial inventories, but also where our biologists have a high degree of confidence that there are other moose present. We can have that confidence because through these aerial inventories we're tracking moose through the bush, we may see tracks of individual moose or several moose, but you might not actually see the moose as you're carrying out the aerial inventory. But we're confident that the huntable population numbers are conservatively based and that they can be used as the basis of determining quota allocation in the issuance of tags for individual wildlife management units.

Generally speaking, you'll find that the figures that we use for the huntable population are actually higher than the figures for the estimated population because there's a more conservative allowance in the determination of the estimated population.

Mrs. Liz Sandals: But that's basically a reflection of the estimated population—the ones you actually saw when you did a survey.

Mr. Kevin Wilson: That is correct.

Mrs. Liz Sandals: And the huntable population is what you know about the proportion of what you saw relative to what's out there—other things that people have observed on the ground.

Mr. Kevin Wilson: That is correct. A lot of the information does come from these aerial inventories, where we may track a certain number of moose and have visual sightings of moose. We may have confidence, based on other tracks we see, that there is a higher number and we'll do a calculation as to what we think that number is.

I think the other thing that's important to know is that these numbers are certainly not static when it comes to issuing hunting tags. We are looking at information and adjusting on a year-by-year basis for the quota that we have for each wildlife management unit. We are looking at a range of information to help us make conservative decisions around quota allocation so that we can sustain the population of the moose over time.

Mrs. Liz Sandals: I don't know moose, because I don't have moose hanging out near where I live. I do have deer hanging out. A winter like this winter is really, really tough because the snow was so deep when you get farther north. Do you have the same effect with moose—that you also have to take the climate or the weather into account?

Mr. Kevin Wilson: We certainly do. You'd look at climatic conditions. We believe climate change is having an impact on the moose population because it's leading to an overlap of the white-tailed deer population with moose, and then that brings increased competition. It introduces other disease that deer carry that moose are susceptible to, and increased deer populations also bring increased numbers of predators, like wolves, which will also prey on moose. So we do look at climatic conditions—climate change on the one hand, and then severe winter conditions on the other—which can have a substantive impact on both moose and deer.

Mrs. Liz Sandals: Do I have time for one more?

The Chair (Mr. Norman W. Sterling): Sure.

Mrs. Liz Sandals: The other thing I wanted to ask you about was the Endangered Species Act, because I think at the time that the Auditor General was working on the report, the new legislation was just coming in. I'm wondering if you have any sort of an update on what's happened with the Endangered Species Act, in terms of implementation, since the Auditor General was in the ministry?

Mr. Kevin Wilson: Certainly, the recommendations of the Auditor General were very timely. They high-

lighted what was an ongoing issue in Ontario: our ability to complete recovery strategies for endangered species in a timely fashion. At the time that the review was under way, we were in the process of a major policy review of the endangered species program in Ontario.

We're very pleased that the Legislature had the time to consider and then pass the Endangered Species Act, 2007. This is part of an overall program enhancement for dealing with endangered species.

I'm going to begin by characterizing this very much as a stewardship-first focus. It is very much looking at when, where and how we can work with landowners and farmers and resource users like the forest industry, the water power industry, NGOs, to manage for better outcomes for endangered species.

As our deputy has said, there are now over 180 species that are endangered in the province—endangered, threatened, of special concern or extirpated—and we are wanting to ensure that the model we have in Ontario is a world-class model. We borrowed heavily from the experience of other jurisdictions, looked at the federal application of their legislation and came up with the model that was introduced in the Legislature last fall.

I think one needs to compare the model of ESA, 2007, against the preceding legislation. There is a substantive difference. The substantive difference is in the level of protection that's afforded endangered species. The old act, robust in its time, was outdated; passed in the early 1970s, it only offered protection for endangered species and didn't afford protection to other classifications of species of special concern or threatened species. Another fundamental flaw with the existing legislation was that it lacked any capacity for applying flexibility in a way that could support socio-economic benefits for the citizens of the province while at the same time supporting the protection and recovery of these species.

1020

We're very pleased with this new model. The act is predicated on several key features. Where, in the past, individuals might have heard only at the moment that a species was to be regulated, that it was coming on the endangered species list, there is now a requirement—and this is a significant change—for our science body, COSSARO, to provide an advance notice of 60 days that they're going to begin to look at a species and assess it for the purpose of the act.

COSSARO ordinarily takes about a year to complete its assessment of the species. Then, following the report of COSSARO to our minister, the minister is then in a position to provide for automatic listing of that species. That automatic listing is predicated on the pure science information about whether that species is endangered, threatened or of special concern.

The act does require that we would provide a 60-day EBR notice for posting of the species lists and then a further 90 days for us to formulate the automatic regulation. The good news is that we're moving down the road of automatic listing and automatic protection of significant habitat for these species. At the same time that

that's happening, we're advising the public that the species is under consideration. So it's giving time for those resource users and landowners out there to recognize that the protection may be coming, and for them to sit down with our ministry and to think and look at when, where and how we can mitigate the impact on the species of different kinds of use of land that we're engaged in.

To assist with that, the act established a new advisory committee for the minister, whose acronym is SARPAC. It's the intention to have a broad range of representation on this committee, and this committee would then provide advice to the minister and to her officials on when, where and how we could look at the use of stewardship dollars, which our deputy has spoken about; incentive programs that we're in the business of establishing at this point; and where we can begin to look at using appropriate flexibility instruments. These could range from the use of agreements in section 16 of the act, of permits for different purposes in section 17 or, in exceptional cases, in section 55, the use of regulation instruments that are embedded in the act.

The intent of the act, of the model, is to ensure that we are providing more robust protection and more support for recovery of the species, while at the same time we're building in these flexibility instruments to balance off socio-economic considerations. The Auditor General raised concerns about the timeliness with which we are now completing recovery strategies and identified that that was key to ensuring we were getting to the outcomes that the province was seeking.

The act does build in specified time periods for us to complete both recovery strategies and in the preparation of regulations for habitat protection. Of the number of species that were previously identified, both in the report and in our comments today, within five years, we will have their habitat regulations completed. We are actually looking at key species in the first year, woodland caribou being one, where we intend to have the habitat regulation in place for that species by June 30, 2009. Then we'll be looking at that list of additional species and, over that five-year period, mapping out plans for how we're going to ensure the completion of recovery strategies and habitat regulations for each of those species identified, and then, of course, for new species that come on the list, as they're identified by the science body COSSARO.

Mrs. Liz Sandals: Thank you very much.

Ms. Andrea Horwath: There are a couple of questions that I have arising out of the ones already asked. I guess I'll ask the most recent ones first, just for continuity's sake: In your remarks around the species-at-risk strategy, the indication in the report was that there are 120 recovery strategies at various stages, and I think you just said that you had hoped they would all be done by the end of five years. Did I hear that right? I think currently there are 42 in place. Do you have a list of which 42 species those apply to?

Mr. Kevin Wilson: We do, and we can certainly make it available to the committee.

Ms. Andrea Horwath: Can I have that then, Mr. Chairman, please? Thank you.

Going from that, there's concern around golden eagles and how many golden eagles are left in Ontario. My understanding is that there isn't a recovery strategy in place at this point—and you can certainly correct me if I'm wrong. Is there a recovery strategy for golden eagles at this point in time, and if there is, can it be tabled?

Mr. Kevin Wilson: I'm going to confer with my staff. I don't believe we have completed the recovery strategy for the golden eagle at this point. That is certainly a species we are concerned about, given the numbers that have been identified within the province, but I can confirm the status later on in the proceedings this morning.

Ms. Andrea Horwath: So it's in process?

Mr. Kevin Wilson: That's correct. We are focusing on a very massive cleanup job of what we characterize as the backlog of species whose recovery strategies are outstanding.

In addition to the stewardship dollars that the deputy has spoken of, the ministry did receive additional dollars to its base allocation, much of which is now being focused on the completion of those recovery strategies and in the preparation of the habitat regulations specific to those species.

Ms. Andrea Horwath: How much would have been invested thus far in the golden eagle strategy? Would you have a figure?

Mr. Kevin Wilson: I wouldn't have that figure handy, but I could certainly obtain it for you.

Ms. Andrea Horwath: Can I make sure we get that, Mr. Chairman, please? That's great. Thanks.

Considering the significant backlog and the fact that it's a five-year plan, is there an opportunity to review or to table the 120 species and what stage of development the recovery plans are at, at this point?

Mr. Kevin Wilson: We could certainly provide information to that effect. As I have indicated, we've identified—and the previous minister had announced, I believe, in the Legislature—10 signature species that we felt were important enough that we wanted to move ahead with, woodland caribou being one.

We are taking a look at the remaining listed species in the backlog and we are attempting to prioritize those species, based on issues of their vulnerability and the availability of scientific information, to assist us in the preparation of recovery strategies. With that information—we haven't completed it yet—we are coming forward with, in effect, a type of schedule that's looking at the completion of these recovery strategies over the balance of the five-year period from proclamation of the act.

Ms. Andrea Horwath: Excellent. That's good. I know there have been new resources provided, but how much would have been spent in 2007 on endangered species recovery strategies?

Mr. Kevin Wilson: We received just over \$4 million to the ministry's base allocation for endangered species and we'd have to look at the actuals when those numbers

were rolled up at the end of our fiscal year. I'm not sure that those are available just yet.

There were additional dollars, I think just over \$6 million, for the ministry's base budget for the endangered species program. Much of that is being focused on the implementation requirements for the new act, which would include regulations that will need to be in place either on or after June 30 for the act's introduction, and then of course, as I have spoken about, all the work associated with recovery strategy activities and in the preparation of regulations for habitat protection.

Ms. Andrea Horwath: Would it be fair to say that the bulk was spent on the implementation of the new act as opposed to the recovery strategies?

Mr. Kevin Wilson: I understand the question. I don't have that breakdown and that's something that I think we'd have to take a look at, about exactly how the initial investment was spent.

Ms. Andrea Horwath: If we could get an understanding of that, it would be helpful, Mr. Chairman.

One of the things that Ms. Sandals mentioned as well in this whole field—and you remarked on it—is the partnerships that are required to make this successful over the ongoing implementation. I'm wondering if the species-at-risk stewardship fund—I think there was about \$3 million allocated. Is that right?

Mr. Kevin Wilson: That was for the past fiscal year. The number increases to \$5 million for this fiscal year.

Ms. Andrea Horwath: Okay, great. How much of the initial investment or the initial allocation has been spent?

Mr. Kevin Wilson: We actually got the funding in the fiscal year during the act's passage by the Legislature. So we moved ahead in the summer and developed a set of criteria to guide the application process. We received many applications to the fund. I believe we spent in the neighbourhood of \$2.3 million or \$2.7 million out of the stewardship fund in the first year.

1030

We have already gone out with our request for proposals for the 2008-09 year, and at this point in time we're oversubscribed. We've got just over \$10 million in proposed stewardship projects for the \$5 million available and we're going through the criteria to assess those projects. We're hopeful that we can make some decisions shortly around which ones we can commence in the 2008-09 fiscal year.

Ms. Andrea Horwath: I guess that's a good thing. People want to be involved; that's excellent. I'm just wondering then, is there an opportunity for you to table the people who received funds in the last batch?

Mr. Kevin Wilson: Yes, we certainly can. I believe that was part of a public announcement in August 2007 as well.

Ms. Andrea Horwath: That's very good. Thanks very much.

Going back to some of the other issues that were raised, so that I'm not all over the map, on the moose tag issue, my colleague from Timmins—James Bay, Gilles Bisson—he had initially promised to sub for me on this

committee today because I'm not feeling good—and I had a chat about the moose tag system. I just have a couple of questions about that. Again, I'm just recalling our conversation.

I know that you indicated in your remarks, Deputy Minister, that there's currently a new framework being developed, and I think you said that next year—oh, I think it was Kevin who was saying that—the licence allocation model is up for an overhaul. You're putting in a public consultation process for that overhaul?

Mr. Kevin Wilson: That's correct.

Mr. David Lindsay: Let me, if I could, Ms. Horwath, acknowledge the input of Mr. Bisson. He submitted a report to the then-minister in April of last year which staff have been going through. It's part of the input and it's been very much appreciated. Our minister has asked us to engage stakeholders and the public in a broad consultation, and Mr. Bisson's report is actually part of the work that we're using. So please convey our thanks to him for that.

Ms. Andrea Horwath: That's excellent. I appreciate that. He did mention to me whether there's a possibility of looking at issuing tags by family or hunting unit, because it's really a random lottery. Some people can be in that lottery for years and years and never actually win, and yet others are able to get the tags consistently, year over year. He specifically asked me whether you see any possibility that that might be one of the opportunities. The issue is that everybody in the whole family—moms and dads, grandmas and grandpas, uncles and aunts and cousins—puts it in, in hopes that somebody's going to get one. Is there a way of looking at the family unit as opposed to individuals?

Mr. David Lindsay: I'll certainly let Kevin speak to the details, but we've got no opposition to looking at all models and all options. It would be part of a broad public consultation. We've also had some suggestions that we look at more of the Quebec approach. Everything's certainly on the table and we're willing to look at it.

I go back to the high-level challenge we have, and that is, no matter what we end up with, there are still 100,000 moose and 100,000 hunters, so we're going to have pressure no matter what system we use. On the principles of fairness and distribution, some balance for people who live in the north is something that's been talked about. We would certainly want to consider all of those things, but no matter what system we use, it's not going to make the moose population grow. We've got a limited resource that we've got to manage.

Ms. Andrea Horwath: Okay, thank you. Do I still have some time?

The Chair (Mr. Norman W. Sterling): Yes, a couple of minutes.

Ms. Andrea Horwath: You talk about the 40,000 feet—that was my next question—around the aerial surveys of moose. One of the things that was mentioned was that there's a high degree of confidence, and that the numbers that were used are fairly conservative, yet we have the situation outlined in the report where more tags

were handed out than the moose population that existed. Is that right?

Mr. Kevin Wilson: There was a media report which commented on the Auditor General's findings that I'd say mischaracterized the Auditor General's findings. It was a CP wire services report that seemed to indicate that there were more hunting tags being issued than there were actually moose in wildlife management units. That was not correct. We do base decisions on the number of tags in each unit and on the huntable population, which I've mentioned is the number of moose we actually visually identify through aerial inventories, but also ones where we're confident that there are more moose there based on numbers of tracks that are identified through the aerial survey process.

Ms. Andrea Horwath: You have, I think in response to the report, indicated that you've done 20—I think that was in your remarks as well—aerial surveys recently. Not including that batch, let's say, what would be the average number of aerial surveys being done in, let's say, the last five years, year over year?

Mr. Kevin Wilson: It does go up and down, and it's very weather dependent. We were quite fortunate this year. We planned for a significant number, as we usually do, and we got close to ideal weather conditions for most of the ones that we wanted to conduct. If you end up with poor weather conditions, either not enough snow cover—in some years we've had that—or weather conditions that make aerial inventory flights dangerous, it does have an impact on our ability to carry out these types of surveys.

Ms. Andrea Horwath: Right. But you have the records of how many per year and all of that that might be made available?

Mr. Kevin Wilson: We would in terms of actual numbers that we've conducted year over year.

Ms. Andrea Horwath: All right. If we could get that information that would be very helpful.

I'm just wondering about the total amount that would be spent on aerial surveys, let's just say in core moose ranges in each year of the last five years—the correlation of costs versus the numbers. Would you have that as well?

Mr. Kevin Wilson: We wouldn't have that just off the top, but that's something we could go back and look at.

Ms. Andrea Horwath: That would be great if you could provide that. I think that's it on the moose tag issues.

The Chair (Mr. Norman W. Sterling): Okay. Mr. Yakabuski?

Mr. John Yakabuski: Thank you for joining us today, gentlemen. I have a couple of questions right off the top on your address because there are a couple of things that caught my attention, but I wasn't able to catch them all. I believe we don't have a written copy of that, but I think you mentioned something to the effect that the ministry was purchasing 305 new vehicles this year. How many of those vehicles would be dedicated to fish and wildlife?

Mr. Kevin Wilson: We can get the breakdown of that for you.

Mr. David Lynch: Actually, if I may—I'm David Lynch, the CAO. We've just purchased the 305 vehicles, and in broad terms they'll go largely all across the province to our operational units and the like. They'll be part of what our districts do every day, our science people and the like. I can't really come back specifically to say on fish and wildlife.

Mr. John Yakabuski: I'm just curious because this section of the auditor's report is dealing with fish and wildlife.

Mr. David Lynch: Right. Like I said, it's difficult to answer that way, but I know that in one of our head offices, which is Peterborough, we're getting seven vehicles out of the 305. The 305 are aimed at our legacy vehicles, which by definition are greater than 10 years old. We're glad to say that our 17- to 22-year-old vehicles will now be jettisoned because of this. Many of those were in the parks program because a beater can beetle around a park.

Mr. John Yakabuski: It's not necessarily that these are going to be vehicles added to the fleet. Most of them are replacement, so really we got newer vehicles but we don't have more vehicles.

Mr. David Lynch: That's right. We can come back with a breakdown around the 305.

Mr. John Yakabuski: If you could find out how many are dedicated to fish and wildlife out of this new number, I'd appreciate that. I think that would be good information.

Another thing you mentioned in the report was your species at risk. You talked about 180 species being identified as being at risk. You talked about the broad mandate that you have. You also gave us the map of Ontario over the map of Europe to show just how big an area this is.

The money you're talking about is \$18 million over four years, so \$4.5 million a year for the next four years to deal with species at risk in the province of Ontario, which is almost as big as half of Europe; it's quite large. I want to put that into perspective: for example, \$8 million over the next two years for the former Minister of Finance, now the member for Vaughan, to travel around, coming up with some new ideas about tourism; \$9 million to deal with species at risk in the entire province of Ontario. I would suggest (a) that's a pretty meagre coat of wax, and (b), is that money going to have anything to do with the special purposes account with regard to fish and wildlife?

1040

Mr. David Lindsay: There are a couple of good comments nested in that question, Mr. Yakabuski. Let me begin by repeating a phrase I used in my comments. It would be passing strange for a deputy minister or a minister to say that they wouldn't welcome more money, so I won't use that phrase.

Nevertheless, the species at risk, as Kevin said, is going to work based on partnerships and based on

working with those across the province who are passionate about this issue and have a particular interest in it.

Let me give you one example: The eastern blue racer is a species of snake which is quite rare and its habitat is under considerable stress and threat. Pelee Island is its location. It was a species that was particularly identified in the Species at Risk Act. The Ontario branch of the Nature Conservancy of Canada has been acquiring some land—they do private sector fundraising—and, working with the aggregate resource extractor in that community, he changed his resource extraction practices. Working with the Nature Conservancy and working with MNR, we've been able to expand the acceptable habitat for the blue racer snake. So it's not just government money, but it's partnerships with landowners and not-for-profit organizations.

Mr. John Yakabuski: Would you have an estimate of how much money—outside of the ministry—from the stakeholders, landowners and interested parties is also being dedicated to assist in the—

Mr. David Lindsay: I don't have that off the top of my head, but we could start building those kinds of numbers for you.

Mr. John Yakabuski: That would be an interesting thing. Again, is this \$4.5 million a year affecting the special purposes account? Is that money coming from it?

Mr. David Lindsay: It's not money coming from the special purposes account.

Mr. John Yakabuski: It's not.

Mr. David Lindsay: No, it's money coming from the general revenue of the province.

Mr. John Yakabuski: The general revenue of the province, but out of the Ministry of Natural Resource's budget, obviously.

Mr. David Lindsay: I would take it from other budgets if they would permit me to, but, no, it does have to come from our budget.

Mr. John Yakabuski: I don't know if you mentioned in your initial address that there were additional monies in the budget for the Ministry of Natural Resources, or there were increases. I heard the word "increases," and unfortunately, my mind was elsewhere, which sometimes it is, and I didn't catch all of the details. But certainly according to the budget documents, we see reductions in the overall budget of the—

Mr. David Lindsay: We can give you a technical explanation for why those numbers appear as they do, but the bottom line is we have \$780 million this year, which is a \$55-million increase year over year from our operating. Because of accounting transactions and the way it's reported—estimates to actual—it may appear like a reduction in the printed budget document, but we are planning on spending \$55 million more this year. My performance bonus depends on balancing my own budget, so I don't plan on spending money they're not giving me.

Mr. John Yakabuski: Good point. On that \$55 million, you're talking about \$15 million over four years for an invasive species—

Mr. David Lindsay: Centre.

Mr. John Yakabuski: —centre in Sault Ste. Marie. That's more of a terrestrial invasive species, as opposed to aquatic?

Mr. David Lindsay: All.

Mr. John Yakabuski: It's all?

Mr. David Lindsay: Yes.

Mr. John Yakabuski: Will any of that money come out of the special purposes account?

Mr. David Lindsay: No.

Mr. John Yakabuski: None again.

Mr. David Lindsay: No. It's capital allocation that came from the consolidated revenue account of the government of Ontario.

Mr. John Yakabuski: And \$25 million—and I don't know if you talked about it—for an invasive species centre in Windsor, I believe? No, somewhere else.

Mr. David Lynch: The deputy referred to the Dorion fish culture.

Mr. John Yakabuski: That Dorion fish hatchery. I think that's \$15 million.

Mr. David Lynch: Yes.

Mr. John Yakabuski: Isn't there another situation where there's \$25 million being—

Mr. David Lindsay: There's a new products forestry research institute that we're working on in the forestry branch, in Thunder Bay, dealing with our colleagues from—

Mr. John Yakabuski: Okay, bioeconomy.

Mr. David Lynch: Bioeconomy; that's the \$25-million figure I think you're referring to.

Mr. John Yakabuski: It's not fish and wildlife, then?

Mr. David Lindsay: No, that's dealing with research and innovation in the forestry sector.

Mr. John Yakabuski: So obviously it's not coming out of that special purpose account.

What I'm getting to is the disagreement you have between anglers and hunters in this province and the ministry as to what are appropriate allocations of money from the special purposes account. There are differences of opinion as to what constitutes fair spending out of that account.

Their position is that there's about a \$30-million gap in what is actually spent on fish and wildlife programs, according to their definitions, versus that of the ministry. Is there any ongoing work being done to consult with these groups as to what, in fairness, constitutes genuine fish and wildlife programs as opposed to some of the things that the auditor has also identified, which could fall into that grey area?

Mr. David Lindsay: Again, an excellent question. The relationship between our good friends at the Ontario Federation of Anglers and Hunters and the ministry is long-standing and robust. The heritage of fishing and hunting is something that's long been understood and supported by the ministry and by the government. We

want to continue to maintain that open dialogue. I think definitions on what some expenditures would constitute as fish and game, versus fish and wildlife, will be ongoing. But we spend more money on fish and wildlife in the province of Ontario than is collected from the special purpose account.

Mr. John Yakabuski: According to the ministry's definition?

Mr. David Lindsay: Yes.

Mr. John Yakabuski: I think that's the clarification and that's the issue: in whose opinion? What you describe as money for fish and wildlife, or fish and game, may not constitute the same definition that someone else agrees with. I think that's the issue here.

Mr. Charlie Lauer: I'm Charlie Lauer, the ADM for field services division. Part of your question was, "Is there any consultation with the OFAH?" My colleague Dave Lynch and myself meet quite regularly with the senior officials from the OFAH and go through with them in great detail current allocations, where money is being spent, and get input from them. Those sorts of discussions occur on a regular basis. So is there consultation with that group? Certainly there is.

Mr. John Yakabuski: There's also a disagreement.

Mr. Charlie Lauer: There's debate.

Mr. John Yakabuski: Okay.

Mr. David Lynch: If I may, just further to Charlie's comment, following the budget last week, I phoned Mike Reader at, whatever, 10 o'clock at night to say we met last year and let's meet later this week to go over the aggregate breakdown of what's happened here. We did that last week and we've said to Mike, "Really, where you're interested, Mike, is after we take the \$55 million and we allocate it over the next month or so, into early May, into the ministry, and let's dialogue then, when we're ready for specifics that might be of interest to you." That's just an example of the ongoing dialogue.

Mr. John Yakabuski: The special purposes account was established prior to the bear wise program. Can you confirm that any of that funding comes out of the special purposes account?

Mr. David Lynch: No, bear wise is part of the ministry's contribution, which we expect in our printed estimates. We're just closing the books for the last week. Our CRF, our ministry contribution, will be \$19.6 million, which is what we're expecting to see when we confirm the printed estimates next week.

1050

Mr. John Yakabuski: In contribution to the fund?

Mr. David Lynch: To fish and wildlife program. As the deputy said, the SPA, we're expecting about \$62.7 million or so—\$19.6 million from the ministry there.

In addition to that, what doesn't show in estimates is the federal-provincial agreement on OCOA for projects that would relate to fish and wildlife. The ministry tops up the enforcement program. Last year, about 50% of funding for enforcement came out of our general monies, which shows out of the field services budget line, so that would be another piece in addition to that, and then there

are other things because, as the deputy says, it's integrated resource management. Even part of our forest management planning includes data collection for species impacts and the like. There are a number of other pieces, but when printed estimates come next week, you'll see just short of \$20 million from the ministry.

Mr. John Yakabuski: How does that compare, Mr. Lynch, with—CRF, you called it, the ministry's contribution?

Mr. David Lynch: Well, yes.

Mr. John Yakabuski: How does that \$19.6 million compare to the contribution prior to the bear wise program? What I'm saying is, has that increased by a corresponding amount of the cost of operating the bear wise program? You could tell us the cost of operating the bear wise program and the amount that the fund has increased as a result of that, so that people can also do their own math with regard to those figures.

Mr. David Lynch: There are a number of factors in what gets spent in fish and wildlife. First off, the SPA revenues basically go on a three-year cycle. People generally buy three-year outdoor cards etc. So we have a peak year that generally is in excess of \$70 million, and then our other two years we're mid-\$55 million in general terms. So as we allocate monies, we have to catch those high years to keep a steady state, and that sees our contributions go up and down.

Mr. John Yakabuski: So, in the last three years, what would those contributions have been?

Mr. David Lynch: In 2005-06, we're talking \$17 million from the ministry; last year, \$14.7 million; and then what we expect to release next week, just short of \$20 million.

Mr. John Yakabuski: So we could be looking at a cyclical change or we could be looking at money as a result of the bear wise program. If we went to the three years previous, would it be the same pattern? I guess three years ago we didn't have a bear wise program.

Mr. David Lynch: Yes, right. Bear wise kicks in in 2004-05. If we look at the previous year to that, actually \$12.9 million from the ministry, and then when bear wise kicks in, we go up all the way to \$21.7 million. So the \$5-million-odd that bear wise kicks in—it is obviously well above that. It's about a \$9-million increase, and \$5 million for bear wise would be part of that.

Mr. John Yakabuski: So you're saying, then, that the bear wise program is entirely funded by additional contributions and not monies from the special purposes account?

Mr. David Lynch: That's correct.

Mr. John Yakabuski: I appreciate that. Thank you very much. I don't know if I've got any more time or not.

The Chair (Mr. Norman W. Sterling): No, you don't.

Mr. John Yakabuski: Can you say that in a nicer way?

Mr. David Lindsay: Mr. Chairman, we have some responses to earlier questions. Would you like to save those until the end, or when would you like us to—

The Chair (Mr. Norman W. Sterling): Yes, we'll do those at the end, if we could. I have Ms. Van Bommel.

Mrs. Maria Van Bommel: Thank you for being here this morning. In my riding in southwestern Ontario, and I would imagine throughout—I know throughout southern Ontario—the deer population has certainly increased. One of the reasons is because deer like to eat farm crops. As a farmer myself and with a constituency that is predominantly agriculture, what is MNR doing to assist farmers or help them to deal with the damage that's being done to the crops? Certainly one of the reasons we have so many deer is because there's lots of food, but it's not coming from the wild areas but from farm crops.

Mr. David Lindsay: Again, I'm going to let Kevin go into the details of all the work we've been doing, but this is an example of an issue that the Ministry of Natural Resources deals with on a daily basis. There are lots of challenges. It's not just in your part of the province, but many other parts of the province. Human-deer interaction is becoming a bit of a challenge.

In some of the more rural parts of the GTA, mayors have also expressed concern, and we've been working with them on changing some firearms policies to allow for greater hunting opportunities in those parts of the province.

In preparing for today's conversation, I was surprised to learn that the deer hunt has actually doubled over the last decade. So there are a lot of policy changes that happen year over year to try to address and accommodate the challenges of deer. Kevin and his team are doing some additional work and additional reviews.

We're working with the Ministry of Transportation on how it's impacting on our roads. We're also working with the Ministry of Agriculture and Food. So it's not just the Ministry of Natural Resources. There's a number of ministries that are working on this together, because deer-human interface is not just in rural communities, it's on our highways. I saw one in the Don Valley just a couple of weeks ago. So all of those people who are parked on the Don Valley can do some deer viewing in the early spring.

I'll turn it over to Kevin.

Mr. Kevin Wilson: It's certainly correct that the deer population has increased substantially. One only has to go back to the 1980s to recall how infrequently you might actually see a deer in a rural setting, let alone in an urban setting. The fact that the population has recovered to the extent that it has is actually a reflection of the improving strength of biodiversity in the province. We're now managing maybe too much of a good thing that's been happening.

As the deputy has pointed out, this is happening for several reasons. Ontario's not unique, as a jurisdiction, in dealing with this problem. We work very closely with wildlife departments across the Great Lakes in the US, and similar circumstances are arising there. We've had far more favourable habitat conditions. We've had a series of milder winters, with this one winter probably being an exception in terms of snow load. As a result,

there's increased food availability, which is leading to higher reproduction rates among deer and a booming deer population. We have been working with a broad range of stakeholders—the farm community, land-owners' organizations, as well as other ministries—as we've tried to tackle this problem.

There are several tools that are currently available. Of course, one tool—not the only one—is using hunting as an effective method of controlling population, so we have undertaken efforts to expand recreational hunting opportunities through lengthening seasons. In the last couple of years, we actually have provided the flexibility for municipalities to opt into Sunday gun hunting as one means of providing additional deer hunting opportunities to help reduce the population.

There are a range of other solutions that are there apart from hunting. In working with other stakeholder organizations, we've developed a draft human-wildlife conflict strategy that is intended to look at a range of solutions that can be provided. We're hopeful that that strategy is going to be approved shortly. That will then see us pick up and engage in further dialogue with these various stakeholder groups.

As the deputy has said, it could range from working with the Ministry of Transportation around highway design so that you've got clearer setbacks from highways of vegetation—that's removing the food source for deer that's close to a highway and removing the potential for deer to then cross the highway and result in unfortunate accidents for people who are using highways.

For farmers, it could mean different approaches to managing. An example is different styles of fencing to keep out deer and other species that might be causing crop damage. We are, of course, working with the Ministry of Agriculture, Food and Rural Affairs around their existing programs and policies that deal with damage that farmers suffer: either crop damage from deer or predation from certain species, as it would affect sheep or cattle.

The ministry has been making available an existing tool for farmers: deer removal authorization certificates. They're there for farmers, and farmers can then allow agents to come onto their property and cull the deer if there's damage to crops that's occurring.

1100

As I've said, we have been sitting on this committee with a wide range of stakeholders—which includes both the Ontario Federation of Anglers and Hunters at one end and wildlife management organizations and conservation organizations at the other end—as we start to develop the broadest spectrum of tools that we can start to employ at a community level in responding to this issue.

Mrs. Maria Van Bommel: I just want to take that one step further. We were talking about the snow cover. I have Pinery Park in my riding—a beautiful park, absolutely beautiful—and they have a number of at-risk and endangered species in terms of plant life. Over the years, one of the issues has always been the impact of the deer, as they're grazing and trying to survive a winter, especially what they're doing to the trees and also to the

plant life. So how does MNR manage the deer population within the jurisdictions that you have, such as provincial parks?

Mr. Kevin Wilson: Carefully. We recognize that there is a problem, as you end up with a large number of deer in a provincial park also causing damage to sensitive environments, habitats and species. From time to time, where circumstances warrant, we actually, through park planning processes, look at using different techniques and tools to respond to those challenges. In the case of deer, we've actually undertaken deer culling programs in various parks like the Pinery—Presqu'île Park would be another example—as we work to manage the population to more sustainable levels that are less damaging to the rest of the environment and to other species that inhabit those provincial parks and conservation reserves.

Mrs. Maria Van Bommel: Are there specific times of year that you do the cull? And how do you go about doing the cull?

Mr. Kevin Wilson: We actually spend a fair amount of time partnering with First Nations organizations to work with us in carrying out the cull. Obviously, for public safety reasons, we want to be careful that we're not engaging in a cull during the operating season of a park. If citizens are going to go and enjoy the Pinery Park or Presqu'île, we don't want them to be bothered by, or at risk of, hunters coming through culling deer. So generally speaking, these culls are taking place outside of the operating season for the park. We do pay very close attention to public safety issues in relation to neighbouring properties adjacent to parks to ensure that we are absolutely minimizing the risk that's presented by these kinds of operations.

The Chair (Mr. Norman W. Sterling): Mr. Craitor.

Mr. Kim Craitor: Before I ask my question, I want to put something on the record. It's, what, my fifth year as an MPP, and I want to thank the front-line workers. I have Niagara Falls, Fort Erie and Niagara-on-the-Lake, and there have been so many times—with Friends of Fort Erie's Creeks, the Stevensville conservation centre or the Niagara Falls nature centre—where I've had to ask questions. I just want to say that the front-line staff who I deal with, in particular, are just fabulous people. The really neat thing about talking to them is that they'll tell you if they feel that the government should make some changes, and they do it in a very positive way. It's nice to hear their perspective, because they're right there on the front lines. So I just want to put that on the record to say thanks.

I did have one question, and it's probably a little bit related to our situation in Niagara-on-the-Lake. We have the gypsy moth—I think you're familiar with it, and again, the Ministry of Natural Resources has been very kind to us. It looks like we're going to have some solutions in spraying the area and dealing with that. That brings me to the question I wanted to ask you about invasive species. The gypsy moth, to us, is an invasive species. It is going to cause huge amounts of damage, but I think we're going to be able to get a handle on that.

I just wondered what the ministry is doing to protect Ontario's native species and how you're going to deal with that. I know there's been some discussion, so maybe you could just elaborate on that for me.

Mr. Kevin Wilson: I'll be glad to. First, thank you very much for the comments to the staff. We'll make sure we convey those to them. We have a very large staff, as I talked about in my opening comments—long-serving, dedicated and very professional. I hope I can convey or channel their enthusiasm to this committee through our comments and interventions today. I certainly can't channel all of their knowledge and experience, but I'd like to be able to convey their enthusiasm, because they're just terrific. My colleagues have much more experience on the ground and can speak to the issues, but the passion is something that you can't articulate enough. It really is genuine. So thank you for that. We'll convey your comments back.

With respect to invasive species, it is a priority of the government and a priority of the ministry, not just for the economic impact that it has in the forestry sector, for example, but also the impact it has on the ecosystems. All of us who are familiar with the Great Lakes know the difference that zebra mussels have made to our Great Lakes system. That impacts the trout and the salmon. The deeper you can see down into the water, the more challenging it becomes for the feeding of the salmon fishery. Zebra mussels in the water or purple loosestrife on the land have larger, more significant impacts on a dynamic ecosystem than the average citizen might realize. So we in the Ministry of Natural Resources take it very seriously.

Again, I commented in my opening remarks that we can't do this alone. In speaking to Mr. Yakubuski's question about where we're getting help with endangered species, we need to work with our partners. The Ontario Federation of Anglers and Hunters have been incredibly helpful to us in explaining to their members the importance of cleaning their boats to stop the spread and making sure they're not transferring bait from one lake or river system to another.

I would reiterate that we still have a challenge with the United States regulatory regime with respect to the discharge of ballast from ships. If they would simply take out the fresh water ballast and purge it with salt water before they enter the Great Lakes system, that would go a long way toward preventing the introduction of invasive species.

I'm not sure what else I can share with you. Again, I can speak to the passion; I still need a little time to work on the technical details. But it's something we recognize, not just on the land but in the water, that has a huge impact to the system, to our economy and to the enjoyment of our natural resources.

Mr. Kim Craitor: I'm an MPP along the border so, in my situation, we meet pretty regularly. I meet with my American counterparts, whether they're congressmen or state legislators. In fact, I'm going over the border

tonight to the bi-national conference that's taking place, so I'll have a chance again to meet with them.

I'm just wondering if maybe we can be of some assistance. For some of us who are along the border and have regular meetings with them, maybe you could send us some of that information. Then when I'm speaking to them or I'm calling them, saying, "Do you realize that we need your help on this? Here's what we've done. Can you be a little more forceful on the US side, to ensure you have the same kind of regulations as we do?"—again, sort of like the front-line worker. Maybe we can be of some assistance. I deal with them all the time, particularly because we've got the passport issue and a whole list of issues along the border. It's strange; we're talking a lot more than we ever did in the past, but in a positive way. So I'm just offering that for some of us who are along the border, who deal with the Americans all the time.

Mr. David Lindsay: Thank you very much for the offer. We'll make sure we get more information to you. But, seeing as we have a captive audience here and many apostles who maybe could help us, I'm going to ask Kevin to give you 30 seconds on some of the challenges we face and some of the successes we've had in working with our partners on the Great Lakes. We share them with five, six states and we've actually got a pretty good working relationship. It's the national regulations that we need some help with.

Mr. Kevin Wilson: Thank you, Deputy. A major challenge, as we all know—for those of you in particular who live around the shores of the Great Lakes—is the damage that aquatic invasives are causing. Specifically, the major vector for introduction into the Great Lakes, and consequently into other neighbouring river systems, is through ballast water in ships that are coming in without ballast water on board. As the deputy mentioned earlier, we did work very closely with our federal colleagues at Transport Canada. We're quite pleased with new regulations that were brought forward a year ago that are helping us manage this problem on the Canadian side of the border, helping us close that one big regulatory loophole that's there around aquatic invasives introduction. The remaining loophole is at the US federal government level.

Through a variety of different international bodies, the Great Lakes Fishery Commission, another Great Lakes Commission, and through the Council of Great Lakes Governors, we've been working very closely with our state-level colleagues around the issue of invasives, and very specifically on aquatic invasives. With the minister's support, we actually attended the semi-annual meeting of the Great Lakes Commission in Washington a number of weeks ago. We actually joined with state-level colleagues in visiting with members of the House of Representatives and the Senate, putting forward a Canadian position on the problem of aquatic invasives.

1110

I still have to feel optimistic that we're going to see action. In talking to my US-based colleagues, I don't think they've ever felt that they're closer to getting some

ballast-water legislation passed in the US. There was the re-introduction a number of months ago of the National Aquatic Invasive Species Act federally in the US, and two separate ballast-water bills, one in the Senate and one in the House. In working with those legislators, and in working with the Canadian embassy and consular offices around the basin, we are advocating strongly on behalf of Ontario for the need to close this loophole.

Additionally, we've gone beyond that. Within our own area of jurisdiction, we have put regulations in place to restrict the possession of certain live species like snakehead and other kinds of carp, which are dangerous invasives. If they got into the wild from the aquaculture trade or from live sale in fish markets, they could be equally damaging to some of the other species out there. Apart from dealing with ballast water, we are working very closely at the federal level with Environment Canada and other organizations around a national strategy for invasive species response, focused on four primary areas, prevention being the core one; early detection, rapid response, and then effective management. We are working at the Ontario jurisdiction level to have our own Ontario response strategy, our action plan, targeted for completion by December 2008.

For us, it's a critical issue for the future of forestry in the province. It's a critical issue for the citizens around the protection of native species, whether they be fish species or other species. I think it's central to a lot of the work that we're engaged in at this point.

Mr. Kim Craitor: Okay, thank you.

The Chair (Mr. Norman W. Sterling): Ms. Horwath.

Ms. Andrea Horwath: I had a couple of last questions on the issue of habitat. We talked about species at risk, but not so much habitat at risk so far. I think it's interesting because, in remarks earlier, the Auditor General was saying that there is no species protection without habitat protection. That's one of the things we haven't touched on yet. So I'm wondering: Has the ministry begun to develop a comprehensive inventory of all critical habitats for fish and wildlife resources?

Mr. David Lindsay: The short answer is yes. We recognize that's critically important. Again, as I mentioned in my opening comments, we can't do it alone. We have to work with partners, whether it's the Nature Conservancy of Canada, Ducks Unlimited or volunteer organizations. Again, the fishery community works closely with us to preserve and enhance fish habitat. So it's through a lot of partners that we're making sure we're protecting the habitat where these endangered creatures can continue to live.

We've had a number of wonderful successes in the province. The peregrine falcon is one that was on the precipice—pardon the pun, those of you who know the habitats of peregrine falcon.

Ms. Andrea Horwath: We have one living in a big office tower in downtown Hamilton.

Mr. David Lindsay: They live on cliff edges. The ministry, together with a lot of academics and private-

sector partners, has helped to bring that species back. In the forestry sector, with our forest management plans, we're making sure we're protecting tree stands that have golden—pardon me, bald—eagles. You had mentioned golden eagles. Bald eagles are a success story. We've brought them back from quite a critical stage in northern Ontario.

So it's not just the Ministry of Natural Resources on its own, it's the ministry working with the private sector—whether it's mineral aggregates, forestry, private landowners or not-for-profit organizations—to enhance and create that habitat; in the Carden Alvar, the loggerhead shrike, again, land purchased by the Nature Conservancy in Northumberland county; the prairie grass, also controlled burns to get out the competing species so prairie tall grasses can come back in Ontario. These are the kinds of partner examples that we have all over the province. It's not just MNR staff, as good as they are, it's a lot of partners working with us to create those habitats.

Ms. Andrea Horwath: Where I come from in Hamilton, we have the RBG, the waterfront trust and a number of partners that would be working in there as well. But I'm wondering, you have inventories, though, right? Do you have inventories that exist of what all of the critical habitats are right now, which ones are critical to be dealt with or not?

Mr. David Lindsay: Again, I'm going to lean on Kevin for more details, but I would not want to say in this room or anywhere that we have a complete inventory. There's a particular plant species that is very sensitive that Charlie Lauer has been working with; the more we look for it, the more we find it. It's interesting that the more time and energy we spend on some of these species, the more we can find. To say that we have a complete and comprehensive inventory going back to the size of the map would be—

Ms. Andrea Horwath: But you're building one. Is it safe to assume you're building one?

Mr. David Lindsay: Yes.

Ms. Andrea Horwath: With partners and otherwise. Okay.

Mr. Kevin Wilson: Yes, and we operate the Natural Heritage Information Centre, which has responsibility for compiling this information, both on the status and location of these rare species but also their habitats. They are currently improving their ability to map rare species habitat, and we're updating our web-based information delivery system for rare species and habitat information. We're trying to make this more readily accessible to the partners that the deputy has spoken about and to other governmental organizations as we share this kind of information.

As the Auditor General has pointed out, to be successful in the protection and recovery of endangered species, your ability to protect habitat is going to be a critical component of this. We think we've got the resources. In addition to the new dollars that the ministry received, this is building on existing base funding for

endangered species of just over \$2 million a year that the ministry had operated with. Additionally, we have had land securement funds, a portion of which have been dedicated toward protecting important habitat, often for endangered species.

One clear example of this—the deputy was mentioning some of the leverage partnering arrangements—is Ontario's participation in the eastern habitat joint venture fund, which is an organization that we engage with and where we're leveraging Ontario's investments in a two- or three-to-one ratio. Between 2006 and 2010, we've secured over 10,000 acres of wetlands and uplands, and we've gone and enhanced a further 10,000 acres. We're also, through that partnership, that joint venture, managing almost 500,000 acres for conservation purposes.

Our need isn't restricted just to Ontario, because many of these species have a binational aspect to them. If they're migratory birds, they're moving through our jurisdiction parts of the year, into the United States or beyond that. We need to work at an international level to ensure that necessary habitat is being set aside for those species.

Ms. Andrea Horwath: Thanks. If I were interested myself to look at the inventory as it sits now, recognizing that it's certainly not complete, how would one go about finding that information? How would one access that information?

Mr. Kevin Wilson: I think as a follow-up to this we could arrange to provide access to what information is contained in their database.

Ms. Andrea Horwath: That would be excellent. You mentioned the \$2 million a year and land security funds—

Mr. Kevin Wilson: Prior to the additions that the ministry received in the 2007-08 fiscal year, the ministry's base budget for endangered species was about \$2 million.

Ms. Andrea Horwath: For habitat or just overall?

Mr. Kevin Wilson: That was the base funding for dealing with endangered species overall across the ministry. Separate from that, we had dollars that were supporting this NHIC organization. We had dollars that were supporting land securement, land acquisition, which fed into partnership arrangements with organizations like Ducks Unlimited, the Nature Conservancy of Canada, and then we've had additions of dollars, first in 2007-08—\$3 million for stewardship in 2007-08, increased to \$5 million 2008-09. David, I think it was \$4.15 million for the ministry's base budget addition for last fiscal. I believe that number is up by about six and a half million in 2008-09 for the endangered species program.

Ms. Andrea Horwath: Okay. Land securement: Is that partnership funds, so that some of it's from the ministry and some of it's from other partners or with other municipalities?

1120

Mr. Kevin Wilson: Our key focus is on leveraged results to get essentially a bigger bang for the taxpayers'

dollars. It's working with those organizations that can bring their dollars to the table. The Nature Conservancy of Canada is a very good example. They do receive some federal funding for their initiatives in Ontario, but they are also the beneficiaries of private and corporate donations to support their efforts.

Ms. Andrea Horwath: That's great. Do you earmark a certain amount of investment in your budgets that you would expect on an annual basis might be used to leverage other funds, particularly for—

Mr. Kevin Wilson: The premise of our land acquisition strategy is that we want to focus on opportunities for leveraged purchases. I wouldn't say that there would not ever be a case where we wouldn't go ahead and purchase a property on our own. On occasions, within Ontario Parks, as an example, we've done that. In some cases—in Rondeau Provincial Park—where there is critical habitat and endangered species, cottage lots which are leased within the park have become available and we've gone into a willing-buyer/willing-seller arrangement to purchase those cottage lots off-lease and then return them to their natural state.

Ms. Andrea Horwath: Is there an average amount annually that you would be—

Mr. Kevin Wilson: I think \$4.7 million last year.

Mr. David Lynch: Yes, with the ups and downs, it was a \$4-million to \$6-million range, and then, last—

Ms. Andrea Horwath: Based on the opportunities that arise; right?

Mr. David Lynch: Right. Announced in the budget last year was another \$27 million over four years for land securement. So that would definitely be an uptick in our spending plan.

Ms. Andrea Horwath: I've been to Rondeau Provincial Park. That's really helpful. Thank you for that information.

There are a couple of questions that I had around enforcement particularly. There's been a lot of attention to and media around—and I think my colleague John Yakabuski was asking questions about funding particularly. I'm wondering about the extent to which the enforcement branch is—I think we talked about capital dollars earlier, about the investment in capital and the issue around the new funding being basically replacement funding for old fleet or replacement fleet. In terms of operational support provided to the enforcement branch, is there an average per conservation officer for field enforcement activity? I raise this because there's been a lot of concern around that and there's been a lot of reference to enforcement officers not having gas for their tanks or those kinds of things. Could you give us a picture of what that looks like and what it's looked like over the last couple of years in terms of operational resources to enforcement officers, specifically for field enforcement activities?

Mr. David Lindsay: Again, I'm going to rely on staff for some help with the technical details. But as the Auditor General was doing his work and there was some public profile around the issue of our enforcement

officers' funding, the ministry was successful in fiscal year 2007-08 in getting an infusion into our base of an additional \$1.6 million, which has gone a long way to help. With this year's budget enhancement, we're hoping to be able to add to that as well.

What has been challenging is that while we have been focusing on the dollars in many of these conversations, the other part of our change has been the way in which we structure the enforcement branch—

Ms. Andrea Horwath: Is the risk-based—

Mr. David Lindsay: That's right. Again, the team is very professional, long-experienced and our actual full-time equivalent count has remained relatively static over the last decade. Somebody's going to correct me on the number. I won't give the number off the top of my head because I don't remember it exactly, but it's remained within 5% of the same number of conservation badge officers over the last decade.

Some of our funding for operation has been enhanced and improved, but we're trying to deploy them differently. So if you've got a commercial fish operation which may be impacting thousands of fish versus a conservation officer looking for one or two casual anglers, focusing on where there's a potential for impact on thousands of fish is a more risk-based approach. Law enforcement practices have adopted these methodologies in police forcing. We're bringing those same kinds of practices to the conservation system. A lot of the churn in the conversation is focusing on the dollars, which are important—I think I've mentioned that several times now; we would always welcome more money—it's not just the dollars, it's how we're deploying our resources. We're hoping to actually get more out of the productive work of the staff.

Some of the numbers I have here—as a result of the infusion of dollars in fiscal 2007-08, we've had an increase of over 9,000 hours of field enforcement and we've reduced office time by over 8,000 hours, so getting them out more and not in the office as much. We've had a 12% increase in field contacts, a 14% increase in warnings issued and an uptick of 4%—270 additional charges were laid. So it's not just input-based but it's output-based: What are we getting for the money we're spending? We're watching that very closely, trying to make sure we're getting best use of taxpayers' dollars and best use of the skill and knowledge of the excellent staff we have.

Ms. Andrea Horwath: I don't know if there's any more in addition to that. That really is helpful because obviously it's been a contentious issue. The concern that we were talking about recently was whether or not you've actually put in place the measurements that will determine whether your risk-based plans are actually being successful. Further to that, can you identify from that information if there are more resources needed to make risk-based plans work to their optimal efficiency?

Mr. Charlie Lauer: If I may, just to add to that, in addition to changing to the risk-based system, the other significant change that happened, just about the time of

the audit, was that the reporting structure and our funding structure were centralized for enforcement. Some of the noise about individual officers out in a certain work location had so much money to support them—a lot of that funding was centralized for efficiency purposes. An individual office in the past might have gotten \$5,000 to support their vehicle, so they could run a vehicle. We centralized all of the vehicle support, purchasing and all those sorts of things and we were able to do it cheaper. The individual on the ground still has his vehicle and it's operating, but the money that used to be sitting right with them in their field office is now centralized. We're getting a better deal, doing it more efficiently, but the person at the local level says, "Oh, gee, I have less money." No, you still have your vehicle and it's still there and being paid for, but it's being paid for centrally. In fact, we're getting more value for our money now. In addition to the change to the risk base, there was also a change in the reporting relationship and how we manage the money. That created some confusion in the system as well.

Mr. David Lynch: If I can just add further to Charlie's comments here, as he says, the computer cost, the lease cost, the insurance, the training all got pushed into a central allocation model. A proxy for what a conservation officer would have per year—and this goes up and down—is about \$9,000 after, like I say, we strip away all the rest. So that's about \$9,000 for a conservation officer to do their job. And just quickly here, as the deputy was looking for the figure—266 conservation officers would be the 2007 figure.

Mr. David Lindsay: In 2001-02 that same comparable number was 258. We had 258 in 2001-02; we now have 266.

Ms. Andrea Horwath: But with these new pieces of legislation coming online, a lot more work to be done, I would think, in terms of the—

Mr. David Lindsay: It would be our hope that the efficiency in use of equipment and this risk-based approach would allow us to get more contact time and more value for the effort we're expending on protecting the natural resources. So it's not just more head count, which was slightly up—I don't want to overstate that case; we're up by eight individuals.

Ms. Andrea Horwath: It's a big place.

Mr. David Lindsay: It's a big place. That's why the use of state-of-the-art equipment and the risk-based approach are what we've been focusing on.

Ms. Andrea Horwath: Thanks very much.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman?

1130

Mr. Ernie Hardeman: Thank you very much for your presentation.

I just want to start with the conservation allotment. In my community, there's a lot of concern—I'm getting letters from people—about how we have our conservation officer's car sitting there and they can't put gas in it because of the allotment. We hear from the answers that

the dollars are there. They're not quite as high as we would like, but they're there. Is the actual work of the conservation officer decided by how much gas he has or is it decided by how much time he has to do the work?

Mr. David Lindsay: That's an excellent question and I'm glad you asked it, because we do want to move to an outputs-based approach as opposed to an inputs-based approach. Number of miles driven around may have been a metric in previous years. Number of contacts, number of incidents, which I mentioned a couple of minutes ago, are the metrics we'd like to move toward, hence the phrase "risk-based." Where are the biggest risks to our natural resources? What's our objective here to protect the natural resources? Where are the biggest threats, and are we focusing staff time and resources?

While driving through a hunting area or boating through a fishing area might have been the traditional methods years ago, we're now trying, in addition to maintaining those, to make sure we're using the best investigative techniques where we suspect that there may be some organized activity happening, where there may be overfishing by a commercial fishery or other higher-risk activities taking place. There is some office time required in that kind of investigative work, as opposed to patrol work, hence, the risk-management system tries to bring that balance: What's the appropriate use of time in the field versus time on investigative work?

Mr. Charlie Lauer: Each year, we do planning at field offices. It's not just the enforcement folks, it's all of the folks in the office who sit down and talk about what those risks are and where the best place to spend our time is, and "Gee, there's been an increase in illegal harvesting of wood," or something that might not be related to fish and wildlife.

As the deputy mentioned, we have a very, very broad mandate and cover a wide array of activities—illegal or accidental starting of forest fires that need some investigation because maybe there's been a flurry of that sort of activity.

On an annual basis, we sit down with management staff and enforcement staff and develop a plan and determine where the priorities are and where we will invest our time and effort. So, there is extensive planning, analysis of risk and determining where we'll put our enforcement efforts.

Mr. David Lindsay: Having said all of that, we do have more money for gas.

Mr. Ernie Hardeman: I want to bring it back to a very simple question. I get told that a conservation officer could get called on a Friday afternoon because of something that should be investigated, and he'll say, "I can't go because I've already used up my allotment of money this week." Is that possible? Is that happening in the ministry?

Mr. Charlie Lauer: Every time a call comes in, there's an assessment done. Lots of calls don't need an immediate response. The situation will be looked into. It will be investigated. It doesn't mean you have to jump in the car and go.

Mr. Ernie Hardeman: It was a very pointed question, and I was hoping for a very pointed answer. I would've liked to hear, "No, that won't happen," not all the reasons why it might be happening—because that's what I'm hearing now: "He may not have to go; he may assess that he doesn't need to go." I was told that if they called, the answer was actually, "I would go but I've already used up my gas allotment; I can't go this week."

Mr. Charlie Lauer: No, the answer would be, "I will look into that; I will investigate it," but "investigate" may not mean jumping in the car and driving.

Mr. Ernie Hardeman: I didn't say it would. I just said that he would not, on a Friday afternoon, be able to say, "I can't go because I haven't got the gas." I think it's rather serious.

I was looking through the information that research gave us. This issue was discussed in the Legislature, and the question was from one of the members to the minister.

"The reality is that conservation officers don't have the funding to go into the bush to do what they're mandated to do by this Legislature. Across Ontario, we have conservation officers who are lucky if they're able to put fuel in their trucks and get out in the bush one or two days a week. They held bake sales all last winter to raise money to put gas in their trucks. So I ask you the question again: Why has this been allowed to happen under your watch, and what are you going to do to fix it?"

Obviously we know that sometimes the questions in the Legislature tend to be what they call "over the top." I wasn't nearly as concerned with the question as I was with the answer of the minister. The minister said:

"As a matter of fact, the officers did not hold bake sales. There were other folks who actually held the bake sales for them to raise what they felt was an issue. Unfortunately, they didn't give the officers the money that they did raise. They kept it. Having said that, we gave them the money...."

If that was happening, it's one thing to say, "We'll give them more money so it doesn't happen," but what has changed to make sure that that doesn't happen again? I just can't believe a minister of the crown would say, "No, they didn't hold their own bake sales; somebody held them for them"—to put fuel in the vehicles to enforce the laws of our province. I just don't think we're that type of province. I just wonder, what have we changed that that can happen? This was the minister who said that, so I presumed it was true.

Mr. David Lindsay: Your question is entirely appropriate: What was done to rectify the situation where there wasn't enough money in some parts of the province? The answer is twofold.

First, in fiscal year 2007-08, there was an additional infusion of \$1.6 million to the base. With last week's announcement, we intend to put even more in. So the year in which that incident occurred—the organized bake sales—we did put more money in, so that's an immediate response.

The second is the efficiency and the effectiveness of resources being used: We put more money in; are we now spending it on the right thing? That's where we speak to our procurement strategy: centralizing our procurement so that we're getting the best bang for our buck, wherever possible, to make the money go further; and the use of the funds on a risk-based approach—where is the best opportunity to achieve our mandate, which is the protection of the natural resource? So it's a threefold response.

Mr. Ernie Hardeman: Somewhat in the same vein, Deputy, you mentioned that it's risk-based, and that we're actually sending our inspectors or our enforcement out to better places, shall we say—to go fishing where the fish are. And you said that we're getting, on time spent and time travelled, a greater number of charges. Is that what you said?

Mr. David Lindsay: I have those numbers. For the additional \$1.6 million that was put in in fiscal year 2007-08, we have an increase of 9,495 hours of field enforcement; a reduction of 8,000 hours of office time; an increase of 12% in field contacts; an increase of 14% in warnings issued; and 270—a year-over-year increase of 4% in charges laid.

Mr. Ernie Hardeman: Do you have any information that could tell us whether the reason we have more charges is because more crimes are being committed, or are we catching more people committing crimes?

Mr. David Lindsay: Actually, when we were discussing this at the staff level, we were asking ourselves some of those questions, and there's another interesting way to look at this. If we're moving to more of a risk-based approach, catching one individual who may be fishing without an appropriate valid licence versus catching a poacher who has a dozen creatures in their bag, that actually is a more important activity to protect the resource than catching somebody who may have an expired licence. So there's an interesting way to play with those numbers. If we're laying lots of charges with expired licences but we're letting the people who are actually capturing the animals get away on us, then that's not necessarily the most efficient use of the time and money.

Mr. Ernie Hardeman: One other area, which Mrs. Van Bommel was questioning on earlier, was the predator problem we have, in particular in southwestern Ontario, with our crops and wildlife. One of the answers was something about—

1140

Mr. David Lindsay: I've never heard deer referred to as predators before.

Mr. Ernie Hardeman: They're predators for the grain.

Mr. David Lindsay: That's true. I've just never heard that before.

Mr. Ernie Hardeman: The farmers think when half an acre of grain is gone that predators were there.

There were suggestions made about proper fencing to keep wildlife out and so forth. Who's the ministry

involved with that? Who puts up the fencing to keep wildlife out of the field?

Mr. David Lindsay: We don't currently have that kind of a program right now. It's something that we've been discussing with the Ministry of Agriculture, Food and Rural Affairs—what other mitigating strategies can we be exploring as the deer population continues to increase and be a problem in some parts of the province? The Ministry of Transportation is looking at pulling back the potential feed for deer from the highways, and we're talking to ag and food about other things we can do to work with farmers.

Mr. Ernie Hardeman: Can I tell the farmers that something is in the wind, that something is going to happen? Obviously, we've done a lot of talking in governments over the years, particularly when it's a discussion between ministries, and sometimes nothing comes out of it. We spend a lot of time talking, with no results. Is there something coming forward that's going to deal with that? Obviously, the farming community has been asking for something to be done, even if it's nothing more than just increasing the fees they pay for losses through predators and through crop losses. Is the ministry actually working on some success, as opposed to just investigating the problem?

Mr. Kevin Wilson: As I'd mentioned in an earlier remark, we have been working on a human-deer conflict strategy, but beyond that, we've been looking at a generic human-wildlife conflict strategy for the ministry, as it relates to a number of different species. We've been receiving a variety of complaints around predation resulting from coyotes or wolves, in some cases, or in the north, from bears. We've even had some complaints about wild turkeys, which were reintroduced into the province a number of years ago.

We began with a broad consultation with a wide range of stakeholders, including members of the farm community, sitting at a table, along with other organizations like the OFAH and some of the ENGOS, to help us draft this strategy. We're looking at bringing that forward for approval and release, we hope, shortly. Following the strategy's release, we think there'll be a good opportunity for us to continue to engage with those organizations, and at the community level, as we start to then develop and apply tools in response to the problem.

As I'd mentioned, one of the critical tools that we'd used in the past was the hunting and the lengthening of seasons—and other different hunting techniques in response to the challenge. But there is a range of other tools and techniques that are being used in other jurisdictions that we're borrowing from. We've mentioned a couple as examples: different types of fencing for farmers, or setbacks—different approaches for the design and construction of highways. There is a range of different approaches that could be utilized in response to the problem.

I think we can expect that we're never going to deal with a static situation and that as a result of other conditions taking place and the general cycle of increases

or decreases in wildlife populations, we need a strategy that has some dynamic aspects. It might need to focus on deer in certain years, but if the deer population declines, it may need to focus on other species that are creating some conflicts with people.

Mr. Ernie Hardeman: We were talking earlier about creating habitat for our wildlife. A lot of farmers today believe that the ministry has done a great job of asking them and having them create the habitat.

You mentioned the wild turkeys. My part of the country is where they've been trying to bring in turkeys. They put them on conservation authority lands or they put them in the county woods, and the farmers next door have to feed them. The turkeys are doing quite well, thank you very much, because they get out there, particularly in years when the snow comes too early and they can't get all the corn off—and by spring, there's no corn to get off because our wild turkeys have got it all.

I think there's a real need for the ministry to look at something to help with what we, as a society, are creating with the wildlife around our agricultural lands and to make sure that we don't expect them to feed the birds, shall we say.

Ms. Laurie Scott: Thank you very much for appearing here before us this morning. I have been having to go in and out, so I wanted to ask a specific question. I have a hatchery in Haliburton, and it's got the Haliburton gold, which is a species right within the five lakes up in Haliburton.

In 2000, they created the hatchery. They worked with the MNR, and the volunteers did a lot of the research. Anyway, they've been working well. They had some funding allotted to them. They do fundraise also, but they had the government funding allotted. They are told now that in July 2008 they're only going to be receiving \$3,000 a year, and there's no commitment if there's multi-year funding.

I guess the general question is where the funds come from for the hatcheries. This has been a community project. They do a lot of education, they're all tested, they work with natural resources. I think the lead on that was Dr. Chris Wilson way back when it started up.

I have the specific question of the hatchery in Haliburton and how money is allotted to that hatchery; and maybe from the special program, the dollars that are allotted for hatcheries?

Mr. Kevin Wilson: I think, Deputy, this could relate to CFWIP funding that would be managed out of our field services division. We do, of course, operate a fish culture program, with a number of significant-sized hatcheries around the province. The work of the ministry, its fish culture program and the nine stations that we operate, is supplemented by a number of different community-based hatchery programs. It sounds like the example you're citing is one of those hatcheries. They make application to and are eligible for funding out of our CFWIP program.

Charlie, I don't know if you have any details on that.

Mr. Charlie Lauer: Just to add to that, that funding is always on an annual basis. You made reference to no long-term commitment. The community fish and wildlife involvement program, the CFWIP program, is always on an annual basis, and the groups apply each year. The applications are reviewed and funding allocated. You mentioned about a dollar amount—

Ms. Laurie Scott: Yes, would you mind? In 2004, they did get from the MNR \$100,000 over four years. So they did have a multi-year commitment at one point. I can't tell you the specific program, other than they just told me it was MNR.

Mr. Charlie Lauer: That's \$100,000?

Ms. Laurie Scott: Yes, \$100,000 over four years, so \$25,000 a year. That's why I was just asking. You're saying that's usually on an annual basis through the CFWIP fund. This Haliburton gold trout is specific to Haliburton county and the five lakes. I didn't know if that would fall into any—if you could say—species at risk, but I'm just saying it is distinctive and that's what—

Mr. David Lindsay: I'm not sure, Ms. Scott, if I've got information at my fingertips to be able to speak specifically to the Haliburton hatchery, but we can explore that a little further for you.

Generically, the CFWIP program my colleagues have been referring to has been in operation for a number of years—since the early 1980s, actually. The average funding for the community fish hatcheries is about \$1,000 a year. So if your friends and colleagues are benefiting as much as they are, they may want to look at some of their other colleagues.

The Ministry of Natural Resources in 2007 put an additional \$200,000 over two years outside of the CFWIP program into volunteer fish hatcheries, working with the Ontario Federation of Anglers and Hunters. So we've been putting additional funding into the volunteer programs and working with our partners again to try to make sure we've got a robust fishery. Details on the specific Haliburton example I don't have in front of me.

Mr. Kevin Wilson: I've just received some information from Cameron Mack, who's my director of the fish and wildlife branch. He did have some information about this specific example you've raised. In that case, there was a contractual arrangement entered into with that hatchery, which had been in that circumstance rearing fish on behalf of the ministry for some specific targeted purpose. From time to time, we enter into contractual arrangements of that nature if we're looking to supplement some of the ministry's own fish culture operations program that we run.

1150

Ms. Laurie Scott: This is run by the Haliburton Highlands Outdoors Association. As for sustainability of the whole program, they're doing as much as they can. Just for planning for them, when you say that \$200,000 over two years was put in before, do they work through the MNR or do they apply directly for funds? I think I asked before about the special funding for hatcheries. Does that come out of any of the fees that you have for

fish and wildlife? Do those funds come out of the special purpose account?

Mr. Kevin Wilson: The main hatchery program funding does come out of the special purpose account. We'd have to confirm whether the CFWIP funding comes out of the SPA or not. With respect to that hatchery, as Charlie Lauer has said, this is a program that provides funding on an annual basis. It's application driven, so organizations come forward with proposals. Those proposals are assessed and considered. Then decisions are made about which programs are funded out of the available dollars.

Ms. Laurie Scott: Okay. I can do some follow-up specifically with the ministry after. Thank you very much.

The Chair (Mr. Norman W. Sterling): Mr. Brownell?

Mr. Jim Brownell: Actually, Mr. Chair, I had two questions and, thanks to my colleagues from Niagara and Hamilton, both were answered.

The Chair (Mr. Norman W. Sterling): Good. Mrs. Albanese?

Mrs. Laura Albanese: Thank you very much for your presentation. My riding is in the heart of Toronto, so we don't have any rural areas. We're not along the Great Lakes, but we do have a very nice park that the residents are very proud of and a cherished pond. But I do like canoeing, hiking, nature and wildlife.

I had a specific question on recommendation number 10, on the recreational fisheries management. It says that the ministry is moving from a lake-to-lake management process to an ecological planning and management scale. I wanted to know how much work had been done so far and what this planning would take into account.

Mr. Kevin Wilson: I'd be more than happy to respond. That's an excellent question. As noted in the Auditor General's report, there were specific references to us developing formalized fisheries management plans and looking at appropriate timelines for implementation. In 2005, the minister of the day announced that we'd be moving towards an ecologically based framework for recreational fisheries management. We've spent a considerable amount of time working with stakeholder organizations and other partnered levels of government like the Department of Fisheries and Oceans in the design of this model. Essentially, we're moving from a lake-by-lake management system to an ecological system for managing fisheries issues on an eco-zone basis. We think this is definitely a far more efficient approach for us to be managing the recreational fishery on behalf of the members of the public and the many thousands of people who come to Ontario from outside of the province to enjoy this particular sport. It is going to be coupled with the support of a broad-scale monitoring program that we're designing. It's planned to be implemented this current fiscal year.

To support the introduction of the new ecological framework for fisheries, we began with the creation of three pilot councils, which are then in place, providing

opportunities for community input into decisions that are made around the management of the fishery. The combination of the knowledge and information obtained out of the monitoring process can then be fed back to these fisheries councils, with broad representation at the community level, to give us advice as to when, where and how we should be managing individual decisions with respect to that fishery: seasons for fisheries, sanctuaries for fisheries, size limits, slot sizes for fisheries in some cases.

In 2008, beyond the original three pilot projects, we're creating three more advisory councils. We're moving ahead with funding for that. Our planning is now looking at taking into account the requirements for the entire resource. In moving away from a lake-by-lake analysis, it's going to allow us to take careful examination of things like broad climate change impacts and invasive species impacts that we've spoken to already, and then, of course, human behaviour. The one species in the province that we found to be the most nimble, the most mobile, is the elusive angler who is able to go from lake to lake and find those great fishing opportunities that we provide. Of course, we have to account for fishing pressure when it comes to making decisions around how we are setting limits in these new ecological zones for fishing purposes.

We are hard at it. We're continuing this work. It's a multi-year process of getting this plan in place and getting all of these fishery zone councils up and running for the 20 new fishery zones that have been established.

Mrs. Laura Albanese: In which areas of the province do you have these three pilot councils and the other three advisory councils?

Mr. Kevin Wilson: I'm just going to check my notes on that because that's not something I've got at my fingertips, but if you can give me a minute, I can certainly get you that answer.

Mrs. Laura Albanese: Sure, no problem. And you can move—

The Chair (Mr. Norman W. Sterling): Okay. Ms. Horwath?

Ms. Andrea Horwath: Yes, very briefly, just following up on Mr. Hardeman's question. We started talking about the raw numbers of new charges being laid. Have you drilled down to figure out if they're ones like the expired fishing licences, or if they're more serious—you know, the guy with five moose in his trunk?

Mr. David Lindsay: I haven't got that level of analysis. As Charlie was saying, we do an annual review on what we've done in the previous year. That's part of the input into deciding what we need to focus on in the coming year. So based on region by region, where the highest risks are, they gather up all that data on a region-by-region basis, review it, and it provides input for the next year's risk plan.

Ms. Andrea Horwath: So then the answer would be yes, you'll drill down and get types of charges, and then that feeds back into your risk management plan and changes that need to be made to it?

Mr. Charlie Lauer: Absolutely.

Ms. Andrea Horwath: That's great. Really briefly, the other question I had was just around—we didn't talk much about the black bear management. In 2006-07, did management units continue to exceed the allowable harvest of adult female bears?

Mr. David Lindsay: Ask that again; I'm sorry.

Ms. Andrea Horwath: Did management units continue to exceed the allowable harvest of adult female bears—I guess that was a problem in the past—and if so, which management units? Obviously, one of my researchers wanted this information, so I thought I would ask it.

Mr. David Lindsay: We'll see if we can dig that out for you.

Ms. Andrea Horwath: If you could, that would be great. I guess the issue that came up in the report, anyways, was tourist outfitters who are continually exceeding the sustainability guidelines for maximum bear harvest. The question is, what enforcement measures have been taken to deal with that exceeding of guidelines?

Mr. Charlie Lauer: Part of what we've put in place was a harvest guideline. The way it was measured was so many bears per square hectare of land, and it's a general guideline that we use across the province. We recognize that that's not the perfect answer because certainly the productivity of the land is different from one part of the province to another, based on growing degree days, soil types, food sources and all of those sorts of things.

We are actually in the process of developing a more refined guideline, such that the more appropriate level of harvest will be set up for a certain area. By having just one generic guideline, there would be areas where that may have been exceeded, but the more refined guidelines will show that those areas are in fact more productive and are capable of more harvest and can sustain more harvest. So we're refining that guideline to more accurately reflect the productivity of the various areas across the province.

Ms. Andrea Horwath: Do you have a timeline on that initiative?

Mr. David Lindsay: My note here says, "Consultations on the enhanced bear management framework in the coming months."

Ms. Andrea Horwath: "In the coming months"; okay. Well, we'll stay tuned.

The other thing is just around the enforcement measures on the tourist outfitters who are exceeding the guidelines. Any response to that one? So what happens?

Mr. Kevin Wilson: We certainly work with outfitters and we control their harvest through the allocation tools that are there, and we can set quotas for outfitters. If an outfitter then harvests more than the allocation, then enforcement action could be considered in that circumstance.

1200

Ms. Andrea Horwath: Has there been any? If this has been indicated as a situation that has been occurring,

have there been any enforcement measures taken against these outfitters, or is it more of a negotiated kind of relationship?

Mr. Charlie Lauer: I guess the other piece I would say on that is that this is a guideline that we're attempting to follow. The guideline needs some refinement. We often, in our discussions with the various outfitters, may agree that there is good reason to exceed the guideline in those areas and that additional harvest may be appropriate, again, based on productivity and some of those sorts of things. Enforcement action may not be the appropriate response in any case, because it may be appropriate to have a different level of harvest than the current guideline.

Ms. Andrea Horwath: In your memory you don't recall there being any particular enforcement measures, because it's all been this in-flux situation in terms of the guideline and needing to refine it. Is that correct?

Mr. Charlie Lauer: There has certainly been significant enforcement activity related to illegal bear activity, where certain outfitters may have been illegally participating in the trade of bear galls and those sorts of things. There has been significant enforcement activity for those sorts of things. The business of just an over—

Ms. Andrea Horwath: Exceeding the maximum.

Mr. Charlie Lauer: Over the guideline—off the top of my head, I'm not sure, so I won't say on that one.

Ms. Andrea Horwath: All right. If you've come up with something, that would be helpful to understand that.

That was it, Mr. Chairman.

The Chair (Mr. Norman W. Sterling): Okay. No further questions? Mr. Deputy, you wanted to—

Mr. David Lindsay: Just that staff have been very helpful, and if you would let me, on the record, thank them and acknowledge all the hard work they did in putting together our briefing materials for today. They've been passing us a number of notes in an attempt to try and respond in a timely fashion to a number of questions that were raised. Just in the order I have the scraps of paper in front of me here—and staff, feel free to help me if I veer from the script:

Mr. Yakabuski had asked about the Endangered Species Act and some of the funding and how that was working. The base funding was \$2 million. They injected another \$6.5 million, plus \$5 million for stewardship, for a bottom-line number of \$13.5 million.

Then we also have land acquisition. As I was explaining, working with the Nature Conservancy, Ducks Unlimited, other partners and conservation authorities, we have a land acquisition program. So there are a number of ways we're infusing dollars into the endangered species program.

MPP Horwath asked about the moose surveys. Last year, we had 12 surveys—pardon me; the average we try to do every year is 12 on a rotational basis. I believe it's every three years or four years we try to get around the

province. We try to average 12 a year. Last year, we accomplished eight surveys. There were seven others that we were working on, but due to bad weather or because of too small a sample size, they couldn't get up in the air enough days and it wasn't a valid sample survey. So it's very dependent on weather, but our efforts are to try and do a dozen a year and rotate around the province.

Interjection.

Mr. David Lindsay: You were asking us about the various councils. In Thunder Bay fisheries management zone 6—I was up there a couple of weeks ago—they've got a great committee working together on their fisheries management and they hope to expand that in the coming years.

Sault Ste. Marie has got another active group of community volunteers who are helping us, and Peterborough fisheries zone 17. The three more that we're planning in this fiscal year are three of the Great Lakes. We want to do one for Lake Ontario, one for Lake Erie and one for Lake Huron. It will involve both members of the fishing community and MNR staff to work out how we can best manage the fisheries in these particular zones.

Mrs. Laura Albanese: Thank you very much.

Mr. David Lindsay: The fleet vehicles, preliminary allocation: We have 150 going to our parks branch. There are 75 that are being split.

So the purpose of your question was fish and wildlife: 14 specifically for fish and wildlife in the Great Lakes branch and then 61 are going to the field offices. They would be used by fish and wildlife staff or on fish and wildlife activities, if from the field office. They're pool vehicles that are made available to the fish and wildlife survey work or activities that they're undertaking. The rest are other parts of the business—the forest fire fighting—and other things we do in the ministry across the province. So your question about what vehicles are going for fish and wildlife: 14 specifically to the Great Lakes fish and wildlife branch, and 61 to field offices which are at the disposal of regional fish and wildlife staff.

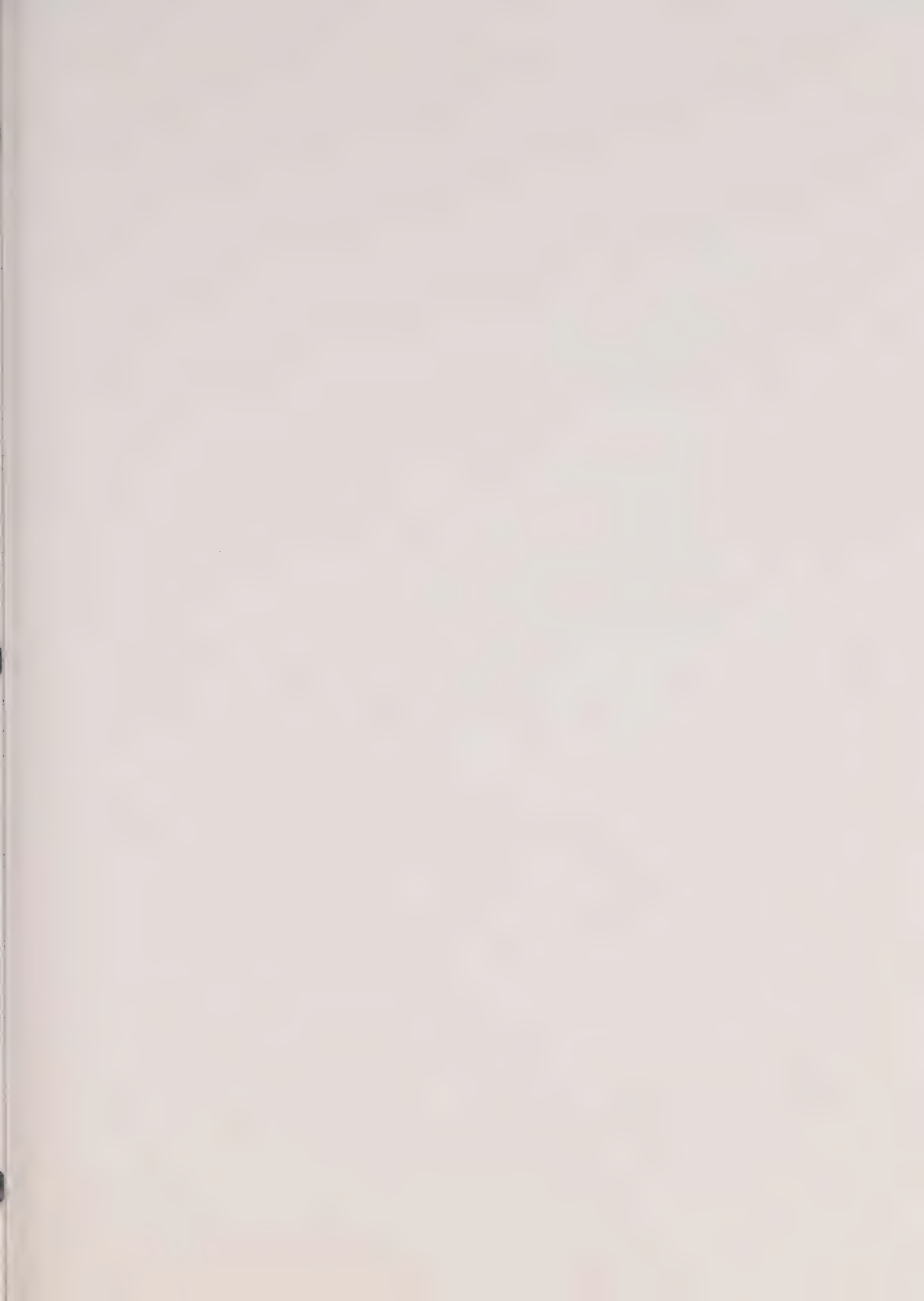
The Chair (Mr. Norman W. Sterling): Thank you very much. I will try to capture in a letter to you the questions that Ms. Horwath put forth, as well as any other outstanding questions we might have to you, and then you can respond to the committee with regard to those questions.

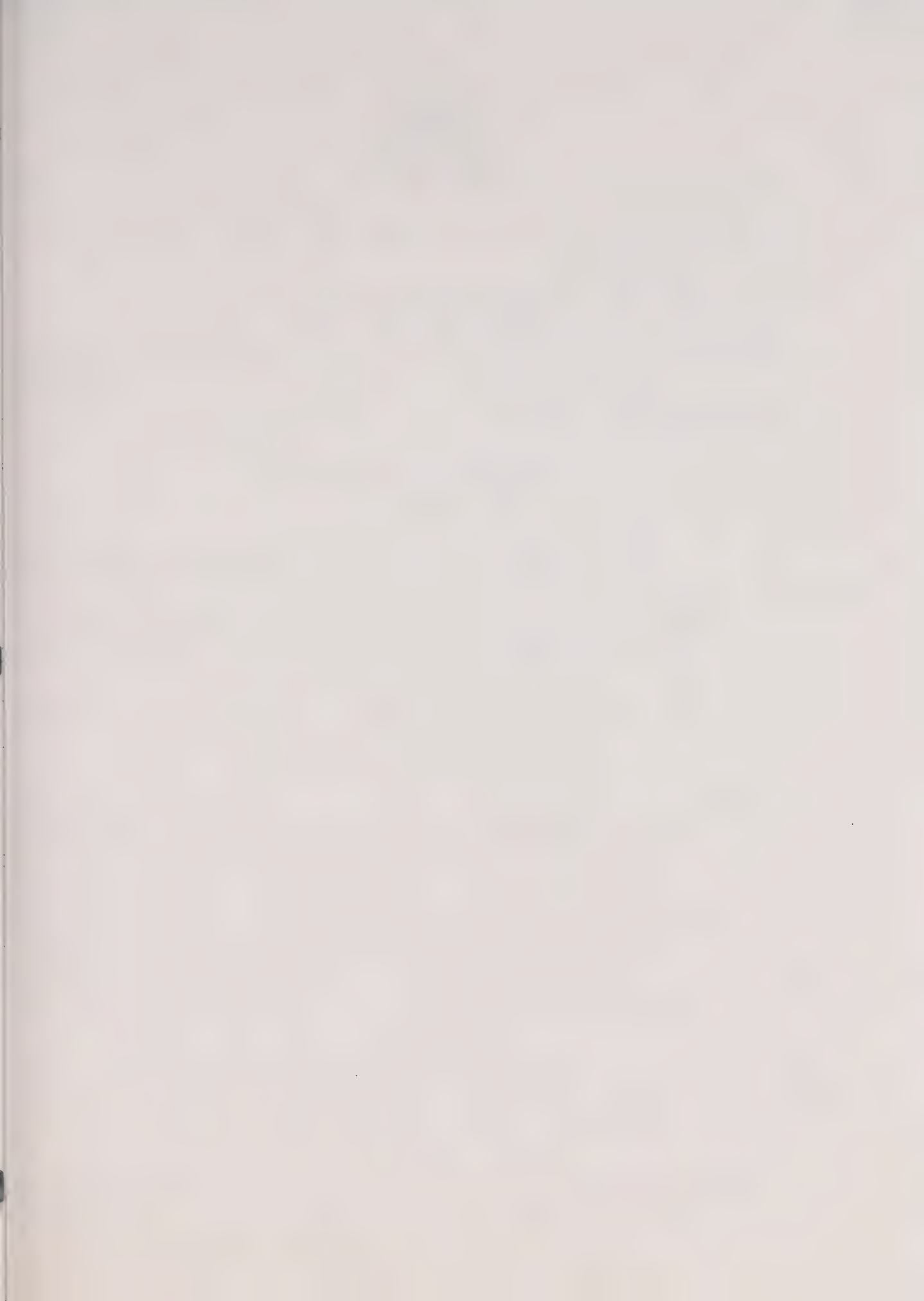
The committee will recess for five minutes, and then once the room is cleared, we will sit in camera and instruct the researcher as to how we would like the report prepared.

Mr. David Lindsay: Let me thank the committee members for your time.

The Chair (Mr. Norman W. Sterling): Thank you.

The committee continued in closed session at 1205.





CONTENTS

Thursday 3 April 2008

2007 Annual Report, Auditor General: Section 3.06, fish and wildlife program	P-87
Ministry of Natural Resources	P-87
Mr. David Lindsay, deputy minister	
Mr. Kevin Wilson, assistant deputy minister, natural resource management division	
Mr. David Lynch, acting assistant deputy minister, corporate management division	
Mr. Charlie Lauer, assistant deputy minister, field services division	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Jim Brownell (Stormont–Dundas–South Glengarry L)

Mr. Kim Craitor (Niagara Falls L)

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Also taking part / Autres participants et participantes

Ms. Laurie Scott (Haliburton–Kawartha Lakes–Brock PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

420N
221
72



P-7

P-7

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Thursday 10 April 2008

Standing committee on public accounts

2007 Annual Report,
Auditor General:
Ministry of Government
and Consumer Services

Chair: Norman W. Sterling
Clerk: Katch Koch

Assemblée législative de l'Ontario

Première session, 39^e législature

Journal des débats (Hansard)

Jeudi 10 avril 2008

Comité permanent des comptes publics

Rapport annuel 2007,
Vérificateur général :
Ministère des Services
gouvernementaux et des Services
aux consommateurs

Président : Norman W. Sterling
Greffier : Katch Koch



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

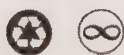
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Thursday 10 April 2008

Jeudi 10 avril 2008

The committee met at 0937 in committee room 1, following a closed session.

2007 ANNUAL REPORT, AUDITOR
GENERAL
MINISTRY OF GOVERNMENT
AND CONSUMER SERVICES

Consideration of section 3.01, Archives of Ontario and information storage and retrieval services.

The Chair (Mr. Norman W. Sterling): Good morning. My name is Norman Sterling. As the Chair of the public accounts committee, I welcome you to our committee. Thank you for coming. Today, we are going to discuss section 3.01 of the 2007 annual report of the Auditor General, dealing with the Archives of Ontario, and the storage and retrieval services as well.

It's normal for us to ask the deputy minister, who is with us today, Michelle DiEmanuele, to lead off with a statement. I believe you also have the Archivist of Ontario here. As a 30-year veteran of the Ontario Legislature, I want to ask the archivist to come down to my office to clean it out after she leaves here today.

Deputy, if you would lead off.

Ms. Michelle DiEmanuele: Thank you, sir. I am Michelle DiEmanuele, the Deputy Minister of Government and Consumer Services. I'd like to introduce, on my right-hand side, Mr. Ron McKerlie, our corporate chief information and information technology officer, and Miriam McTiernan, the chief Archivist of Ontario.

It's always a pleasure to be welcomed at public accounts as a deputy minister. I think we've been responding very effectively to the Auditor General's report in 2007. I will cover some of those things briefly today. The archivist will also be making a brief statement.

Prior to the report, we had actually been working on modernizing the archives, and had been focused on updating and improving many of the procedures for supporting the people of Ontario in this area.

In April 2007, the Archives created a recordkeeping support unit. This unit includes staff who provide record-keeping information, advice and support to ministries and agencies. It's virtually a compliance unit.

In July 2007, a strategic plan for the preservation of archival electronic records was developed.

Since July 2007, a database containing approved records schedules for all ministries has been established.

The auditor's report confirmed that we had made many areas of progress in modernizing, but of course, made many additional value-added suggestions.

In my role as deputy minister, I am also responsible for leading, overall, the public sector renewal portion for the Ontario government, making sure that we are focusing on providing high-quality outcomes for the public, focusing on value for money, managing risk and balancing accountabilities, and supporting and engaging our workforce. The Archives has been part of this entire agenda of modernization.

You may recall, Mr. Chair, I was here last year to speak about our progress with respect to birth certificates. I'm pleased to talk about our progress today with respect to the Archives.

Let me now turn quite specifically—many of you may or may not know, but we get approximately 65 million hits a year on our website. That's 12 million more hits than Library and Archives Canada, and 10 times as many hits as British Columbia.

What makes the Archives of Ontario so popular? We believe it brings the past alive for Ontarians. It showcases Ontario's public and private archival records as a vital resource for studying and interpreting history, people and culture in this province. The Archives also develops innovative educational programs.

The Archives' collections includes the Ontario government and private records going back to the earliest days of Ontario. They contain genealogical records, vital statistics, records relating to aboriginal peoples, thousands of photos and maps, architectural records, documentary art, sound and moving images.

To give you a sense of that collection: over 310,000 boxes of paper records—that's 55 miles; 1.7 million photos; 40,000 maps; 200,000 architectural plans; 40,000 sound and moving image items; 70,000 publications in its library; 50,000 microfilm reels; and almost 2,500 historical and contemporary works of art in the government of Ontario art collection, which is displayed in government locations throughout the province.

In the past few years, the Archives has focused on making its collection much more accessible to teachers and students.

The Archives of Ontario is a major player in the Ontario History Quest, an online resource designed to meet the curriculum requirements for grades 7, 8, 10 and 12 students. It has been an unparalleled success.

The Archives has continued to partner with the Ontario Institute for Studies in Education, or OISE, as we know it. Based on the efforts of a working group, the representatives were able to produce a new educational resources section of the Archives website, and both partners had been working on developing this in a more vibrant way.

The Archives of Ontario, in co-operation with Historica, a national not-for-profit organization devoted to the promotion of Canadian history, created the Archives of Ontario Award, to be given at Historica's history fairs held throughout Ontario. This award recognizes outstanding student achievement for the best use of original records related to history. Thousands of Ontario elementary and middle school students participate in the Historica history fairs programs each year.

We have been making the Archives more accessible. The Archives of Ontario's virtual exhibits program continues to be one of the most popular features on the Archives' website. The online exhibits section of the website regularly receives tens of thousands of visits each month. It showcases some of the Archives' most interesting records in an accessible and interesting way.

Last year, to recognize the 175th anniversary of the Rideau Canal and its appointment as a UNESCO World Heritage Site, the Archives of Ontario mounted Eye-witness: Thomas Burrowes on the Rideau Canal. Thomas Burrowes worked on the Rideau Canal during its construction and documented his experience in watercolour paintings. The Archives has 115 of his paintings in its collection, and many of them are presented in this exhibit.

Some upcoming exhibits include an overview of the government's promotion of good health and a history of all the Premiers of Ontario.

In addition to making its materials more accessible throughout the province, the Archives has also been actively modernizing its processes and services. The Archives and Recordkeeping Act, 2006, came into effect on September 1, 2007, bringing the Archives into the modern, electronic age. That act replaced the act from 1923; I think you can appreciate that there have been many changes since then. We are developing and implementing a strategic plan for the management of electronic records. We are improving public access to archival records by developing and implementing databases describing these records more effectively. We are implementing a new computerized inventory control system for tracking these records more effectively. We have inspected 300,000 containers of archival records and their contents to ensure that they are appropriate as archival records. We're moving our archival records to a new state-of-the-art storage facility suitable for much more long-term preservation of our records. Finally, I think many of you are aware that we are moving the main building to York University in 2009.

The Auditor General said that protecting and preserving records is of prime importance, and we agree. As I said, the Archives has recently moved over 300,000 feet

of archival records to our new state-of-the-art storage facility, and in that, we also have built cool storage capability that is better for our photos and film records. The government has also entered into a 35-year lease with York University, which I've mentioned.

The auditor noted that the activities of the government are increasingly being documented by electronic records. The long-term maintenance of archival electronic records for hundreds of years is an issue in the entire archival community worldwide. It is the subject of ongoing research and debate.

The Archives has recently completed a strategic plan for archiving electronic records so that issues around arrangement, description and access for electronic records can be identified and addressed. The plan was developed after researching activities in other jurisdictions, such as Australia, the EU and the United States. The plan identifies goals and activities to help reach these goals and will be implemented over the next four years.

The Archives is currently developing a strategic plan for the digitization of archival records and is undertaking several pilot projects so that the public interest is served.

The auditor pointed out that the Archives' obligation to manage the volume of stored government records is also important. Under the Archives and Recordkeeping Act, the Archives established requirements for ministries to prepare record schedules that specify how long government records are kept and whether they are destroyed or transferred to the Archives at the end of their operational life. The Archives only retains those records with permanent and historical significance and is continuously refining and improving its processes to accomplish this.

The Archives recently re-engineered procedures for processing the annual transfer of government records. This new process involves the inspection of each container and ensures that the archives is retaining only the right records.

The Archives has increased its holding of electronic records to 817 gigabytes in the past year, and this total is continuing to increase.

Although we have been aggressively implementing the actions that were recommended in the Auditor General's report, there is still much more to be done.

At this point, I would like to pause and just thank the staff of the Archives of Ontario, who have been working for several years now to update our facility and our records management and our storage capability. I believe they have done an outstanding job and are up to continuing to work at improving this very vital function.

I am confident that the Archives of Ontario will continue to become world-renowned as a leader in its field, especially once it moves to the new facility.

Mr. Chair, I would like to thank you again for this opportunity and thank the Auditor General again for his report. The Archivist of Ontario will make a few comments as well.

0950

Ms. Miriam McTiernan: Thank you, Mr. Chair, for inviting us here today to talk about the progress of the

Archives of Ontario. I am Miriam McTiernan, the Archivist of Ontario, and I would just like to elaborate on some of the points made by Deputy Minister DiEmanuele.

The Archives of Ontario was established in 1903. This is Canada's largest provincial archives. Our mission is to identify and preserve Ontario's documentary memory, and to promote and facilitate its use. Our mission is also to provide innovative leadership in managing information to support accountable government.

The Archives of Ontario is a leader in customer service, dedicated to identifying and responding to the evolving needs of our customers.

We're very proud of our past. We're vastly excited about our future. Next year, as the deputy said, we will be moving to a purpose-built facility on the Keele campus of York University. This is the first time in the 106-year history of the Archives that we will have suitable facilities for archival preservation.

I appreciate that the Auditor General's 2007 annual report noted that the Archives had been making progress in improving its operations. In fact, the Archives had been making a great deal of progress prior to the report. The Archives agrees with the auditor that the activities of government are increasingly being documented by electronic records. In fact, they are now more often the only record. As the auditor noted, the volume of archival material entering the Archives in electronic form so far is minimal; however, that volume will be increasing over the next decade.

We recently completed an extensive research project to identify best practices in archival electronic records, resulting in a plan called the strategic plan for archival electronic records. This plan identifies the need to develop an approach that is flexible and adaptable to accommodate varying formats of electronic records while preserving authentic and meaningful records.

We can, for example, identify original paper records, and we need to be able to assure ourselves that electronic records are authentic, that they were created by the right person, and that no subsequent changes were made. Also, as electronic records are migrated, we want to make sure that the information can still be accessed as anticipated.

The auditor recommended that the Archives should, in collaboration with ministries and agencies, develop strategies and timetables for reducing the growth in and minimizing the volume of records that require storage. The Archives is committed to retaining only those records with permanent and historical significance.

We recently re-engineered the procedures for processing the annual transfer of government records. This new process, which involves an inspection of each container, ensures that the Archives is retaining only the right records. Records assessed as not being significant are identified for destruction and not added to the inventory. In addition, we have developed selection strategies for some high-volume groups of records where only a representative sample is retained. Through these

measures, 21% of containers in the annual transfer have been selected for destruction as a result of this work.

We welcome the auditor's suggestion to invite ministry internal auditors to conduct a thorough assessment of our inventory and security controls, and we are pleased to note the auditor's acknowledgement of the substantial progress made in gaining better inventory controls over the collections in recent years.

We agree with the auditor's recommendation to improve access to archival collections, and we have begun a thorough review of records not listed or fully described in the Archives descriptive database.

The archival collections are currently available to our clients through a variety of means. We have a listing of all containers in the container tracking system, which contains a high-level contents list of each container. A subset of those containers in the container tracking system is also available in legacy paper-based inventories and lists, which provide a more detailed description of the container, and the Archives descriptive database, which provides searchable detailed information of collections and containers online.

The long-term goal of the Archives is to have all collections available through the descriptive database. Indeed, timelines are being developed; however, our major focus is preparing the collections for their physical move to our brand new facility in April 2009.

The Archives agrees that protecting and preserving records is of prime importance. We acted immediately on the auditor's observations about environmental controls and monitoring in the records centres. We installed temperature and humidity data capture devices throughout both the provincially owned and the private sector facilities, and we're developing the protocols for monitoring and acting on the results.

We have taken corrective action in the artworks storage area and increased monitoring there. Our new facility at York University will contain a vault specifically for the storage of artworks to ensure that the temperature and humidity requirements are met.

The Archives agrees with the Auditor's recommendation that the confidentiality of records and storage be protected, and that service providers are in compliance with the security and confidentiality requirements of their contracts.

New contracts are being developed for private sector storage of records. Internal protocols for the procurement process around these contracts, with particular attention to the management of procurement documents, will be revised and enhanced.

Within the contracts themselves, requirements to ensure privacy and security will be strengthened, including hiring criteria for the private sector staff. In addition, protocols for ensuring adherence to contractual requirements will be developed and monitored on a prescribed schedule.

As you can see, we've done a great deal of work to improve and modernize the Archives of Ontario. We now have the legislation and we will soon have the infra-

structure to fully realize our potential to preserve the past for all Ontarians. There is still a lot of work to be done, but as we move forward, I am confident that the Archives' star will shine brightly in our new state-of-the-art facility.

Thank you, Mr. Chair, for this opportunity to shed some light on the progress of the Archives of Ontario. I would like to invite you all to visit us in our new home this time next year.

The Chair (Mr. Norman W. Sterling): Thank you very much, Mr. Zimmer.

Mr. David Zimmer: Just to set the groundwork for this morning's discussion, I'm trying to get myself into the head of an archivist, how you go about thinking through these issues.

How does an archivist, who has the responsibility to decide what they're going to save, what they're not going to save—what's the thought process that goes on? An archivist who has been sent a bunch of records from the Attorney General's office and the archivist doesn't have any particular legal background, or perhaps it's something from the Ministry of Finance that might be arcane financial documents, and ditto that for the other ministries—mining and so forth. How does the archivist approach that problem in their mind—what to hang on to and what not to hang on to?

Ms. Miriam McTiernan: That's probably one of the most fundamental activities of an archivist. That's what they're trained to do. How we go about it is, to use your example of the Ministry of Finance, we would look at the Ministry of Finance as a whole: what its key core activities are; what its key decision-making items include; where the key parts of its service delivery to the public are; how it interacts with the public—where all of those were. And based on that initial high-level review, we would drill down, and as we looked at a division or a branch, the work would be to identify what the best record is. What is the best record that identifies how decisions were taken, how there are interactions with the public? On that basis, we would write a report.

How we have worked on that in the Archives to make sure that we're really doing the right thing is an individual archivist will write a report. We then peer review it, to ensure that we bring all of our good minds to bear. Then the final report comes to me for decision-making. But we do a lot of work to make sure that we're thinking through what the best record is and how to keep it.

1000

Mr. David Zimmer: Just to follow up on that question: How often would the archivist call up the folks at the Ministry of Finance and say, "I don't understand this," "Can you explain this?" or "Should we hang on to this?" What's your opinion at the ministry on this?

Ms. Miriam McTiernan: In terms of understanding how the records work, which is where the ministries have the best knowledge, the archivist would spend a lot of time talking to the ministry person most responsible for the records. You need to understand how the ministries

are using them, what they believe is important in them and where they believe the best record is. So we work closely with the ministries in writing the initial report.

Mr. David Zimmer: My third question, then: Is there something akin to a triage process? So the archivist looks at a huge whack of material from the Ministry of Finance, quickly says off the top of his or her head, "This doesn't warrant any further inquiry or concern or anything. We're just going to deep-six this and we're going to make our analysis on the remaining." Is there that sort of triage function or does everything end up in the hopper?

Ms. Miriam McTiernan: We conduct what are called functional analyses; they're archival appraisal documents. They're done at the high level of the ministry, so it will look at the ministry as a whole. In that, we will often identify areas where there are records that we know have no archival value. If a schedule comes in for that, it will get a quick look to make sure that there's nothing in there that we've not been aware of, but it won't get the full-on analysis and appraisal.

I think there are some very easy decisions. There are those kinds of basic types of daily transactional records that we don't keep, and then the high-level records in the deputy's office that we know we have to keep. It's the records in the middle that really need the careful thought, so that's where we devote our efforts.

Ms. Michelle DiEmanuele: Mr. Zimmer, if I could also add, it is a two-pronged partnership. Within the ministry itself, one of the benefits of the new piece of legislation is that we're being clear about the roles and responsibilities with respect to records management and the kind of triage you're talking about. The new legislation is in place that says that ministries now have a very clear role they must play. We have policies and procedures that help them do that first cull as well, and then take it over to the archives, where further work is done.

Miriam and her group have an important educational role that they now play across an all-of-government approach. It used to be much more fragmented several years ago and we've worked to try to bring it in as a network of records management with clearer accountability and much more direction around that kind of triage approach, to use your language. It happens all through the organization, not just within the archivist area.

Mr. David Zimmer: And finally, to use your expression, this idea that there's high-level document stuff—obviously, you're going to hang on to that; it's easy to decide to hang on to it—there's the clutter at the bottom and, as you said, the in-between, which is the really hard work, in terms of keeping it or not keeping it. In a typical ministry, what would the breakdown be of high-level, this middle piece where you've really got to think it through, and the junk? Is it 30-30-30?

Ms. Michelle DiEmanuele: That's very difficult to answer. If you look at the Ministry of the Attorney General, for instance, and you think about the nature of its business, there's a much higher level of retention of records versus other parts of government, which

wouldn't have some of the same legislative requirements etc. It's very hard to give you a sense of that. What I can tell you is that each business is looked at very uniquely so that we don't just make improper assumptions around that kind of split.

I would say that from a ministry perspective, the ministries probably err more on the side of caution and leave some of those adjudicative processes and judgment calls to those who are trained to do it.

The Chair (Mr. Norman W. Sterling): Are there any other questions from the Liberal caucus at this time? If not, we'll go to Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for your presentation. I appreciate the work that the archivists do. Following up on Mr. Zimmer's question about how you decide the records that are worth saving: Over time, how do we deal with the fact that something seemed like a real, saveable record today, and as the world turns, 10 or 20 years later, if you look at the significance of those records that you have no room for because capacity is all used up—how do you decide on the importance of all the records? Does the importance stay the same? If you've decided today that that's the record that needs saving, can we be assured that 50 years from now that's still the record that society most wants?

Ms. Miriam McTiernan: That's a really good question about an ongoing issue that we deal with. As we move on, and as we look at records that we thought were worth keeping, as we reappraise records that are coming in, we will actually go back and say, "We only now need to keep a representative sample of that record." In my remarks I mentioned that we had destroyed 21% of the annual transfer. That had also been applied retroactively. If we make a selection decision, we apply it retroactively so we're not constantly keeping records.

Records also spend time in the records centre, where there's still a ministry custody. That also gives us some time to think about whether we want to take the full body or a selection body. That kind of constant rethinking, reappraising and looking at what's going on in the world, what research interests that we're aware of, happens every year.

Mr. Ernie Hardeman: In the auditor's report there are also some comments comparative to other jurisdictions, the number of records that we're saving as a percentage of those that come from the storage of the ministry, and you make your evaluation of which ones should be put into the archives. We have a very high percentage that makes the archives compared to other jurisdictions. Could you give me a reason for that?

Ms. Miriam McTiernan: I think what happens is that the records that go to the records centre are records where there needs to be a retention period. In the last six months, we have developed a schedule for transitory records, where we're saying to ministries, "Don't send these records to the records centre; destroy them on site." So when records go to the records centre, they're going to be there either because ministries will need them for business or because we want to have another look at

them at the end of their time period. But, as I say, for those big volume groups of records, we do implement selection strategies at the time of bringing them into the archives, so that what we actually take into the archives is in line with what goes on across Canada.

Mr. Ernie Hardeman: In that same vein, if you look at the comparators across Canada, is the type of record you would save based on being an archivist regardless of where they work or run the archives, or is that also based on the local environment, as to which letter and how extensively each issue needs to be archived as opposed to all the paper that exists dealing with that subject?

Ms. Miriam McTiernan: It's a mixture of both. I participate in a group called the Council of Provincial and Territorial Archivists, and we talk a lot about some of the big issues, like the big-volume court records that we have to deal with. We will look at what each other is doing and then take it back and see how well it will work. We have to do what's right for Ontario, which might be quite different from what's right for other organizations. Their volume might not be the same as ours, but we do talk a lot about it because it's always good to get many ideas and thoughts on each issue. We do pay attention, but we also have to think about what's right here.

Mr. Ernie Hardeman: I still haven't quite got a handle on what is archived. That's not the fault of your explanation; it's my not understanding the whole program. In very simple terms: Obviously you know what I've got on my desk here and what's circulated in this room for this meeting, what the auditor prepared to facilitate this meeting. What part of what's being used here this morning will I be able to find in the Archives of Ontario 25 years from now?

Ms. Michelle DiEmanuele: What we're doing today.

Ms. Miriam McTiernan: Yes. You will find all of it because we maintain Hansard as a permanent record.

1010

Ms. Michelle DiEmanuele: And you'll most likely find my opening statement, not only in Hansard, but when I do the archival work within my own office it will be an official address, for instance, that I would have given, so I will send that in to the official records of this ministry. There are, for instance, a series of e-mails that went back and forth in the preparations of the deputy minister. Most likely some of that would be included, again, to give one a representation of that event that occurred in the Ministry of Government and Consumer Services at a point in time, as an example.

Mr. Ernie Hardeman: So everything of significance that involved setting up this meeting and getting us here and the discussion today is archived in its individuality and then it's re-archived. And the auditor's report, obviously, will be in the archives somewhere—what he told us. So going back in history, 25 years ago, we should be able to recreate from your material this meeting.

Ms. Miriam McTiernan: We certainly should, yes.

Ms. Michelle DiEmanuele: A representative sample of events, yes. Maybe not my phone call to the Auditor

General, asking why we had been selected, but everything else will be there.

Mr. Ernie Hardeman: If that's the case, is it likely that future generations will require that much information from our archives? What will it generate 100 years from now?

Ms. Miriam McTiernan: It's fascinating to me what people come to the archives to look at. We just never can tell. I see all the time the requests we get for the freedom-of-information applications, so I see the types of things. We have people coming to look at records of their parents, their grandparents. We have researchers doing demographic studies. We have people doing geographic studies. We just never can tell. I mean, the uses are amazing. Political science students may come and look at how the public accounts committee functioned, how it worked with the Auditor General. Given the interest in that type of thing, I imagine people will still be looking at it.

Mr. Ernie Hardeman: Thank you very much. I'd just like to point out that I hope the record will note that this public accounts committee functioned extremely well.

Ms. Michelle DiEmanuele: Mr. Hardeman, I was just going to add also that I think one of the areas—again, I mentioned it in my opening statement—is the whole area of electronic record-keeping. I can envision, 50 years from now, that this is the part of history as it relates to both the archives and our information and information technology area, where people will look back and think through how we made decisions about moving from basically a paper-based democratic set of processes to what I think will look very different 50 years from now. You can see where this, from a historical standpoint, is probably a very important point in history.

Mr. Ernie Hardeman: It's interesting, Madam Minister, that you brought that up. The question that I think arises from the auditor's report is whether we have done a sufficiently adequate job of documenting and archiving that transition, whether we have enough electronic archives so that future generations will be able to see that we did a reasonable job making that transition, as opposed to all of a sudden waking up at some time and saying, "We have lost, or we have not got in our archives, 20 years of electronic records."

Ms. Michelle DiEmanuele: Let me address that quite specifically, because I have to say I do think a lot about that. Particularly as we move our facility, one can't help but think about the archives of the future. So there are three or four foundation pieces that you should be aware of that we've worked very hard on over the last two or three years in this ministry to actually set a foundation for moving forward.

The first thing we did: We actually brought in a new piece of legislation that for the first time recognizes electronic records, which had not been there before. It had not been envisioned in 1923.

The second thing I did as Deputy Minister was that I actually brought together all of the various parts of the—if I can use the phrase—supply chain management of

information. So we had an archive, we had a records management area, and we had our information and information technology area, which also houses our privacy and access to information components. You can see, if those were in three distinct areas, there is an opportunity for some disconnect or disjointedness in how we're providing a service. Now the Archives of Ontario is quite attached to our information and information technology area, so I think you can see there is a nice movement forward in thinking through how we actually make that supply chain work more effectively.

The third thing that we're doing is obviously the new building, which has so much more capability than our traditional archival processes and procedures, and also moving us into the new age of technology and bringing the archives to the public in a much different way.

All of these have set a foundation, and our CIO for the organization, Mr. McKerlie, may want to say a couple of things on this particular item, because we have been actually beginning to develop that strategic capability around information management in the electronic age.

Let me just finish by saying that this is a new and emerging area that all archives are certainly thinking through and dealing with. Because of our size and our activities, we are one of those who are aggressively active in and also have some influence in this area because of the archivists' reputation. So we are making some strides, but I'll let Mr. McKerlie make a few final comments on it.

Mr. Ron McKerlie: Thanks. It might be helpful just to give you some background in terms of what we're doing before the information gets to the archives to try to make it a little bit more manageable and make sure we are saving the right stuff and preparing the information appropriately.

Right now, we manage for the OPS some 600 terabytes of electronic mail information, electronic records like Word documents and so on. That would be the equivalent of about 600 million books' worth of information. It's growing at about 30% a year, so it's a significant volume.

In 2006, we set up the office of the corporate chief information and privacy officer, and we were fortunate enough to attract Dr. Mark Vale. Dr. Vale has a Ph.D. in information economics from Stanford University. He practised information management for 20 years in Canada. In fact, he is the pre-eminent information management guru probably in the country. He worked for many of the provinces and the federal government, and has helped us a great deal in terms of putting some structure in place and working with the deputies and the ADMs around preparing information, what information to keep, how to keep it, what retention should look like in electronic format, and really doing the precursor work to the time that they're ready to hand it over to the archives.

Our goal, and it will take some more work—clearly there's lots to be done—is to make sure that we do a better job managing information—structured and unstructured electronic information—and keeping track of

it. One of the challenges we have, if you can imagine that much electronic information, is the search capability and being able to find what you need when you need it. So some of our efforts are around improving search capabilities.

The other challenge we have, of course, in the electronic space, and I'll just try to be quick here, is that the media keep changing. It's difficult to predict what software and hardware will be required a generation from now to be able to read the information. It's not unique to Ontario; all jurisdictions are dealing with the same challenge. It's one of the reasons that we have used the microfiche, because it has about a 500-year lifespan. It's one of the few technologies, as old as it is, that will be around for a very, very, very long time, and it's why financial institutions and others have chosen not to move off it for some of their critical records. So we will continue to support that because we think it will be around for many generations to come. But we do have some challenges around that.

I hope that helps.

Mr. Ernie Hardeman: Thank you.

I have another question, and this is the challenge of not being able to keep up, shall we say, in the documents coming from the storage to the archives. This is a local question from my involvement with the people in my riding when I get calls about information they want and it's old enough that it's not in the ministry anymore, but it's not old enough to be in the archives yet. That's where our generation, our people, have need for records. It's great to work with the archives and such for authors, genealogists and so forth, but the average John Q. Public wants information that's still in their lifetime. There's an awful lot of that sitting in transition, shall we say. The archives don't know which box it's in, and the ministry says, "Well, it must be with the archives because it's no longer with us." How do we deal with that?

1020

Ms. Michelle DiEmanuele: Mr. Hardeman, I would certainly be interested in any specific issues that you would like to talk to me about afterwards, but I can tell you that overall, the first point I would want to make is that there is no document in transition per se, because there is always an owner. So even before the archives accept that record, the ministry still owns it, regardless of where it is, and has a responsibility under the act and under our procedures to own it.

I can tell you that, on average, we're retrieving those records within 48 hours. So if there's a particular issue that has been brought to your attention, I would be more than happy to deal with you more directly, but that's our metric around retrieval of those records.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Norman W. Sterling): I'm trying to summarize what we're talking about. There are sort of three keepers of the records, or three stages to it: the ministry, number one. Am I correct to assume that almost all of the ministry's records go into the temporary storage area?

Ms. Michelle DiEmanuele: Not all of them.

The Chair (Mr. Norman W. Sterling): Do you know what percentage that would be, or can you guesstimate that?

Ms. Miriam McTiernan: I couldn't really, but, as I said to you, in the last six months we did issue a schedule for transitory records, saying to people, "Don't store these. Throw them out as soon as you no longer need them." But a lot of records have anywhere between a five- and seven-year retention period before they get destroyed. All of those would go to the records centre, because it's going to be much more cost-effective storage than keeping it in office space, where you're paying a lot of money per square foot. So we would be encouraging ministries to send those, and then at the end of the five- or seven-year period, we would be destroying them.

The Chair (Mr. Norman W. Sterling): And the ministry tags about 60% of those, according to the auditor, that are destined to arrive in the archives. Is that correct?

Ms. Miriam McTiernan: The average number, based on what we take in, is around 3% to 5%, what we actually retain permanently. As I said, a lot of material goes to the records centre, and then, before we acquire it into the archives, we'll select or we may make the decision that we don't wish to acquire any more. But based on what is destroyed, what we take in and what's still there, it's between 3% and 5%. It depends on how many court records we're taking in in any year.

Ms. Michelle DiEmanuele: Some of those records that are in that holding pattern—

The Chair (Mr. Norman W. Sterling): Temporary storage.

Ms. Michelle DiEmanuele: Temporary storage—are really there because of legislative kinds of requirements. We know we need to keep them for a period of time, but we also know they're likely not archival material, which I think is the distinction.

The Chair (Mr. Norman W. Sterling): Can I have the auditor—because we're getting an entirely different story or information than—

Mr. Jim McCarter: Maybe it's just a clarification, and maybe we need some help too.

Ms. Michelle DiEmanuele: It's a language issue, maybe.

Mr. Jim McCarter: We looked at the number of records in what we have called in the in-camera briefing "temporary storage." It looked to us like 60% of those records were being designated to be transferred to the archives, which we thought was a pretty high number, based on some anecdotal evidence we had from talking to the Toronto archivists from the feds. We had a quote basically from the US National Archives which indicated around 3%, so the feedback we had was that 3% to 5% of all the records to eventually go to the archives was about the right number.

Then, Ms. McTiernan, I noticed you mentioned that of the records, once they go from the temporary storage, if I understand it, to the actual archives, then you do a thorough review to make sure it's really archival, and of

those you're rejecting about 21% to say, "Do you know what? We don't agree; these should be destroyed." But if I understand, what you're saying is that at the end of all of this process, about 5% get into the archives.

Ms. Michelle DiEmanuele: Mr. McCarter, if I can, that's an important clarification, so let me see if I can give you the supply chain, Mr. Chair.

That's right: 60% are designated. "Designated" doesn't connote "accepted." It is high, as the Auditor General has indicated, and that is what the archivist was talking about with respect to working with ministries to be much clearer about what their role is in the preserving of information. We are probably receiving far too much. There's much more that ministries could be doing to cull, and we have a new piece of legislation that's clear about roles and responsibilities, new procedures that we've been working on, and the archivist has also been working on an overarching strategy that she will share with ministries so that we can be much more diligent at that front end.

As a deputy minister, I always would err more on the side of caution at that stage in the retention of records, as they go through this process, to make sure that we aren't in fact destroying something. It's a lot easier to make that decision down the supply chain correctly. If I destroy it up front, it's gone. So I think you'll always see it as a slightly higher number.

We believe we can get it down from the 60%. That's not only important in terms of the issues that we've talked about with respect to storage etc., but it does save taxpayers money in not storing unnecessary records. We have made some progress just recently, as the Archivist talked about, in terms of the destruction of some records.

The Chair (Mr. Norman W. Sterling): The problem is, you say 60% are designated, of the ones that are in temporary storage, to go into the archives. The Archivist said that you're rejecting 21%, I think, of the 60%. I don't know how you get down to 5%. That's the mathematics.

Ms. Miriam McTiernan: The 60% that the auditor reported are records that are in the records centre for anywhere from five to seven years to 100-plus years, so there is a great big number in there. It's the job of the records centre to retain records for as long as ministries feel they have a business need for them. We simply take, each year, what is destined for the archives in that given year, and in terms of the overall holdings, that averages between, as I say, 3% and 5%.

We've also implemented—this will be our third year—a process where we physically go through each box and we verify that this box is an actual box of archival records; if it's not, we destroy it. That's where we've begun to reject quite a bit more than we have in the past.

The Chair (Mr. Norman W. Sterling): The records centre must be ready to blow up, in terms of how many records it has, if you're only taking 5% out and there's 60% going in.

Ms. Miriam McTiernan: Remember, the records centre is also destroying quite a lot of records every year.

They destroy in the order of 30,000 to 50,000 feet. So they're actually doing quite a bit of destruction each year, as well.

The Chair (Mr. Norman W. Sterling): That's of the 40% that aren't going to be retained. The 60% must be getting larger and larger every year. Is that correct?

Ms. Miriam McTiernan: There's certainly a growth in the amount of records in the records centre, and that's one of the areas that we wish to begin to address.

Ms. Michelle DiEmanuele: If I can say this, we have begun to address it, with respect to the work that we've been doing with ministries on what records should be designated to go to the centre.

Mr. Ernie Hardeman: On that same topic, just a clarification: Maybe I'm missing the point, but it seems to me that 60% of all the records are destined for the archives; 21% is refused before it goes to the archives. Is that right?

Ms. Michelle DiEmanuele: On an annual basis. If I can make a clarification, that 60% is not necessarily an annual number; the 21% is. That 60% could be records that should be retained for five years, seven years or 100 years.

Mr. Ernie Hardeman: I'm not interested in how long they're supposed to be retained. You said of those that were destined for the archives, you were rejecting 21%.

Ms. Michelle DiEmanuele: Of those that were destined for the archives, that were then in the queue for the archives to receive, which might not be the full 60% in any given year, 21% is being destroyed.

Ms. Miriam McTiernan: The records centre does not send 60% to us each year.

Mr. Ernie Hardeman: When you say 5% go into the archives, what is that 5% of?

Ms. Miriam McTiernan: It's the 5% of the total holdings of the records centre on an annual basis.

Ms. Michelle DiEmanuele: If the principal point is, do we have a storage issue, the answer is yes.

As the auditor noted in the report, we've been working through a number of processes that start also with much more effective inventory of what records we have. We've been doing that. We've been working through the procedures that ministries should be following and that triage we talked about early on, that it isn't just happening at the back end of the process; it's much more effectively happening at the front end of the process. We are working within the archivists' shop on making sure that we are going back and looking at records and destroying what doesn't need to be retained.

1030

I think it's fair to say we started a series of processes to deal with storage issues, and we'll be continuing to do more. In my view, that was the principal point that the Auditor General was making to me as the deputy minister, and he's correct.

The Chair (Mr. Norman W. Sterling): I think the real difference is the numbers; your 5% is 5% of many years of collection in the records centre. We were talking about annual numbers in terms of this growth, so the 5%

doesn't really indicate to us how much of each year you're keeping.

Ms. Michelle DiEmanuele: Mr. Chair, maybe that's something I could provide the committee. I could give you the last three years of what we see as the net growth of the collection. Would that be helpful?

The Chair (Mr. Norman W. Sterling): I think that would be helpful.

Ms. Michelle DiEmanuele: Okay, I will do that.

The Chair (Mr. Norman W. Sterling): Ms. Horwath, thank you for your patience.

Ms. Andrea Horwath: That's okay. It was a good discussion. It was important to get some of that stuff clarified.

I want to go back to the issue about identifying which kinds of records are part of the supply chain, if you will. When you talked about, in describing for this committee's purposes, what would have been archived or what will be archived, you said something about what won't be in the records is your phone call to Jim saying, "Why are you picking on us?" Are sensitive records kept; for example, briefing notes, ministers' briefing notes, e-mail, politically sensitive things? Is that part of the history of how an event goes down?

Ms. Michelle DiEmanuele: Let me tell you the chain of events that I would have gone through. Public accounts is a very important process for the deputy minister. This is probably the single most important thing I do as a deputy, to be accountable to the Legislature of Ontario. It is a series of events that I run as deputy minister. I keep my minister informed, but my minister doesn't direct me as it relates to public accounts. I think that's an important distinction as well.

I would have received a call. Our Auditor General has, I would say, an informal policy whereby he always calls to say, "Heads up. You're getting chosen." After having had a discussion with you, he usually gives you his sense of generally what he thinks the soft spots are in the report, as a little bit of a guide to prepare, but it wouldn't be much more than that. I don't think Jim and I spoke more than about a minute and a half in that conversation. That probably isn't in the official records because he called me on my direct line. Had he called me through the main line, it would have been logged etc.

Once that happens, I initiate a meeting. That meeting invitation will be in the records for this ministry. There will be a series of briefing notes that would have been prepared for me, Q&A that I would've asked the staff to prepare for me, and the statement that I made today. I typically ask the staff to get me what I call killer facts. I think you heard Mr. McKerlie use a killer fact that still blows me away in terms of the 30% growth of our electronic capability every year. Those kinds of things would be kept into, in fact, this binder that I have. That virtually becomes the official record for me as the deputy minister as it relates to this event.

My calendar, for instance, has been kept, so you could trace all the meetings I've had in preparation. I think there's probably been three in total, maybe four. Basic-

ally, after today, the final version of my speech would be kept, and the Q&A. All of that will be kept and stored.

Ms. Andrea Horwath: I guess what I'm getting at, outside of this context—this is the one example we're using, but there have to be all kinds of other situations where policy is being developed and where ministers are involved and where briefing notes go back and forth and where, ultimately, decisions are made that then become a part of our history as a province. Are all of those kinds of pieces maintained as well?

Ms. Michelle DiEmanuele: Absolutely.

Ms. Andrea Horwath: So even confidential briefing notes between ministers and their staff?

Ms. Michelle DiEmanuele: Absolutely. That's all governed under our freedom of information and privacy act as well, so it's not just through the archival rules but also through other pieces of legislation where there is very clear direction on what should and shouldn't be kept and what shouldn't be destroyed as it relates to the decision-making of government.

Ms. Andrea Horwath: This is where I actually want to end up, which is, how, then, does the Archives of Ontario make sure that these—where's the accountability piece? How does your organization make sure that something that might be pretty politically a hot potato, or whatever, not just accidentally get put through the shredder? How does that happen?

Ms. Michelle DiEmanuele: Frankly, that is a major accountability of a deputy minister under our privacy and access to information act and through other pieces of legislation, where we have a responsibility to keep the official records between the elected members of the cabinet and the civil service of Ontario.

For instance, in terms of the relationship between a minister and, say, my office, all of the decisions related to that information that is contained in my office, the assistant deputy ministers' offices or the directors' offices are made by me, the deputy, not by the minister of the crown. Equally, the minister of the crown has a responsibility as an executive council member on what he should or shouldn't retain, and that is in fact governed by the executive council office. So that's where the accountability would rest there.

The chief privacy and information officer, which actually was a new position we added into the Ministry of Government Services over the last couple of years, was actually a specific recommendation by our chief privacy commissioner, Ms. Cavoukian. We accepted that recommendation, and he spends a great deal of time educating our senior civil servants and those folks designated to do a lot of the work in this area, making sure there are no grey areas where people are then making decisions that would be inappropriate. So we spend a lot of time in this area.

Ms. Andrea Horwath: So as you're going through the process of trying to work with the ministries to make sure that they are focusing in on the things that need to be retained and not retained, is this all part of that process?

Ms. Michelle DiEmanuele: When I talked about bringing those three areas together, it now does create a supply chain. So you have in Mr. McKerlie's shop the chief privacy and information officer as well as all the rules designated around some of the information management, as well as the archivist act etc. All of those become the set of principles that govern us. Then you have within the ministry the responsibilities for making that initial triage that we talked about under that governance structure. But now there's one place to go to get answers when you are either confused or you don't understand or it's a grey area. You've got all of the expertise in one area. So that kind of peer review and discussion occurs. Then once ministries have made those decisions, and you've already heard that ministries tend to err on being more generous in what they send so that there isn't the destruction of a record that shouldn't occur, that happens; it's then that the archivist would be looking at that. When they are going through and deciding what to receive, they don't just use the act itself; they're looking at all of the legislation that governs the people of Ontario with respect to whether it's retention legislation, like employment standards records, for instance, or other pieces of the act that are so critical and core to a business. Of course, we would retain those records and everything in between. It is a supply chain, and today much more than it was a decade ago.

Ms. Andrea Horwath: Thanks. I'm wondering as well about the issue of the temporary storage. I know we've talked about that a lot, but I need to get a handle on what kind of record needs to be kept for 100 years, temporarily, as opposed to archived? The reason I'm asking this is because it piqued my interest. Are there particular ministries that tend to have a lot more stuff in the temporary records than others? If you could expound on that, that would be helpful. Then, also, what kinds of materials need to be temporarily stored for 100 years, or 50 or—I couldn't really tell from the report and reading through the materials what that looks like.

Ms. Michelle DiEmanuele: Let me tackle the differences between ministries. The Archivist may have more to say on that, and then she can go into much more detail about the actual storage lifespan.

There are ministries that absolutely do retain more records than other ministries. The Ministry of the Attorney General would be, for instance, one of our best customers. Our ministry retains a fair number of records because we have many of the employment records that we have responsibilities to keep. We do a lot of the work in terms of transfers with Revenue Canada etc. So there are some legislative responsibilities for us to retain records longer, certainly, than other ministries.

Obviously, your larger ministries will have more information to retain, such as the Ministry of Finance or the Ministry of Correctional Services. They are just large in nature. Then you have smaller ministries that would obviously have less information to retain. So it is a bit of a grab bag, but I think there's a logic to it. If you think about the Ministry of the Attorney General, as one of our

partners in this, given the nature of their work, there are many issues today before that ministry where they are looking at records that are hundreds of years old, if you think of the issues of land claims.

1040

Ms. Miriam McTiernan: As the deputy said, in answer to your question, the Ministry of the Attorney General is actually our largest customer when it comes to records, and that's obviously court records. They would have a long retention period because we would never be clear when people would need to come back. In fact, in the past, there has been some destruction that has caused us issues as we go forward. Another type of record that would have a very long retention period would be correction services individual records—again, for the same reason that people might need access to them on an on-going basis. And records that I remember that have that very long period, or records where the legal departments are concerned about litigation and long-term litigation, so they want the records kept for a long period of time—if ministries feel that they have a strong business need to keep them, and they have to pay for the storage, then we will respect their wishes. So those are the types of things where we know there will be ongoing issues that might come up.

Ms. Andrea Horwath: I wanted to go one more step with this and ask whether or not the temporary storage facility can be used as a way to hold onto records that ministries don't want to have in the permanent archives, and thereby have more public access to them. Do you know what I'm saying? My understanding is that a temporary storage facility has, really, no public access. While they're there, there's not public access, unless—and maybe you can clarify this, Deputy. You had said that somebody can access this information, that it's a 48-hour turnaround. Is that what you're saying?

Ms. Michelle DiEmanuele: Yes.

Ms. Andrea Horwath: So the temporary records don't prevent public access.

Ms. Michelle DiEmanuele: Absolutely not. We've structured it in a way to ensure that that access is as quick as possible, and the public—actually, let me start from a different vantage point. If those records are needing to be accessed, ministries will make a determination initially if that's an access point that they can just naturally do or if it would be subject to freedom of information, and then it would go through that process. But it's absolutely accessible, and certainly by legislation it is.

Ms. Andrea Horwath: That's great.

I had one other question, at this point, anyway, about the issue around our art collection. Someone had mentioned to me that there had been a significant aboriginal art collection that had been donated in the 1980s to the province of Ontario. Do we have a handle on that? Do we know where that is?

Ms. Miriam McTiernan: I'm not familiar with the specifics, so I'd be happy to get the information and get it back to you. But I don't know.

Ms. Andrea Horwath: You don't know?

Ms. Miriam McTiernan: I'm not familiar with the specifics of a donation in the 1980s.

Ms. Andrea Horwath: So you don't recall, through the process of going through the audit, whether there was an art collection donated from aboriginal—

Ms. Miriam McTiernan: No.

Ms. Andrea Horwath: Okay. Those were my questions to this point.

The Chair (Mr. Norman W. Sterling): Mr. Sousa.

Mr. Charles Sousa: Congratulations. This is very impressive, given what I've heard today and what I've seen, and even through the auditor's report, who also acknowledged the fact that the Archives have done a good job in their improvements. Even when the auditor's report was coming out, there were a number of initiatives under way, and it's obvious to me now that you've taken great steps to move forward. It's an exciting time, especially with the move to the new building.

I have three questions. Let me start with the first one. How do we compare, versus other jurisdictions like the federal government or even some of the US states, in terms of our archival procedures and our reputation?

Ms. Miriam McTiernan: I think we compare very well on a number of dimensions. We have put a lot of time and effort into ensuring that our collections are described and that the descriptions are available electronically. I think we're far ahead of many other archives in terms of doing this. We also have put a lot of effort into customer service, ensuring that we can deal with people not just who come in the door but online, via e-mail or fax, so that we're responding and giving people what they need.

In the US the format is a little different. A state archives would not have the public and private the way we do, so comparisons are somewhat difficult. We look to the states for information on how to manage the government records because they've done a lot of good work on that. For example, Washington state is far ahead in terms of electronic records. We've been talking to them and understanding how they're doing it, so that we can emulate and do well with that. But in Canada, we are regarded as a leader in customer service in our descriptive activity and in how we're managing the government records.

Mr. Charles Sousa: Great. The other two are around the physical process. We've heard a little bit about the IT and it seems to be the way, moving forward, but we do have to deal with the physical aspect of archives. Can you elaborate? We've spoken about the improvement to the archives process. Can you elaborate a bit more on the control process? I'm thinking about bar coding or the tracking of the incoming acquisitions, as well as public access.

Ms. Miriam McTiernan: Since 2002, we've had a significant project under way to get control of our collection—inventory control. That has involved looking at each box, making sure the contents of the box are what the listing that we have available says they are, and then bar-coding the box so that we can control it when it's

happening everywhere. We're now through 80% to 85% of the collection and by the end of this year, December 2008, we will have all of our containers bar-coded. We have that significant drop-dead date of having to be ready to move to York and we wish to have everything under control so that when it leaves the Grenville site we know what's on a truck and when it arrives at York that the same materials arrive. Obviously, to have that kind of surety, we have to have everything inventoried and bar-coded.

Mr. Charles Sousa: Fantastic. I guess that was my last point—the actual identification of those bins. Some of the concern from the auditor was that we didn't know what was in them. With the move to the new building, it would seem to me that we do have a sufficient workforce to do the job. That was part of the issue, I think. The other one was public access, when they come to read of the activities and so forth. Those are the other two pieces that I was looking for.

Ms. Miriam McTiernan: One of the constraints that we have at the Grenville operation is that we have to run three reading rooms. So a customer has to move about the facility, depending on what they want to look at. When we move to York, it will be just one reading room. So for somebody coming in, they get to sit there and we provide them with all the material they want to see in one place. I think it will be a significant improvement. I think our customers will really enjoy it and they will have a much better level of access to all of our holdings as a result of the work that we're doing.

Mr. Charles Sousa: So all those bins will be identified, people will know what's in them, it will be clearly stated and we'll be ready for the move?

Ms. Miriam McTiernan: Yes, we will.

Mr. Charles Sousa: Good. Thank you.

Mrs. Maria Van Bommel: Thank you very much for being here today. Member Horwath brought up artwork. We've spent quite a bit of time talking about electronic records and paper records and that sort of thing. When it comes to donations from the public, such as artwork or artifacts, how do you decide what to take and what not to take, or do you just take everything that the public brings in? And again, how do you store that? We've talked about the environment for paper and that sort of thing, but certainly when you get into artifacts and artwork, environment is very important. And then how do you give the public access to it?

Ms. Miriam McTiernan: I'll answer that in two ways. First, speaking about archival records that are offered to us on donation, usually what we do is go through an appraisal process quite similar to what I described for government records. We look at how significant this is province-wide. We would rarely take something that was local, because we operate on the basis that local history is best kept locally. So we will always look at provincial significance, whether it be the organization, the person, the not-for-profit. If it is significant, then we will accept it.

We will talk to people about under what conditions they want to give it to us. We're very wary about any

long-term restrictions, because they're very difficult to administer. For example, if someone was to offer us something and say, "But I don't want this looked at for 200 years," the chances are we'd say, "We really don't want to take it and keep it because it wouldn't be accessible." Our goal is obviously to make materials available. We go through a process very similar to what we do with government records: The archivists appraise it, we peer-review the appraisal and we make a decision.

1050

For artwork, our curator will work closely with the person offering the artwork to us. What we're usually looking for is artwork that documents Ontario, and we of course want it to be available to put on walls for people to enjoy as a display collection. We have an excellent partnership with the Ontario Society of Artists, and in the past two years they've donated over 70 pieces of art that we will happily have up on the walls for everyone to enjoy. That's how the artwork comes in.

Mrs. Maria Van Bommel: Some of these pieces, I can well imagine, people would like to take. What kind of security would you be having in the new facility and do you currently have, and how do you handle situations where things have been taken?

Ms. Miriam McTiernan: Speaking first about the artwork—because we've actually been taking significant steps in the last little while—on an annual basis, we check that the pieces we're aware of are where we think they are. In terms of the ministries, deputy ministers' and ministers' offices, the CAO verifies that the pieces are available. In the past six months, we've completed a province-wide project. We've gone to the 37 towns and cities where our art is located in government buildings and we've physically verified that the material is there. We're also in the process of affixing the art to the walls with new kinds of hardware, new kinds of attachment devices that can only be removed with the consent of the curator. In that way, we'll be able to track.

The final piece is, we have a database where we have all of the pieces of art listed, and we have photographs and images so that we know what we have and where it is. Obviously, we want the art collection to be available. Public display is its function. This is how we're improving it.

The security of the new building for the archival collection is really much enhanced over what we have right now. We're going to have the storage on the second and third floors, which won't be accessible to the public, and we'll have very restricted access in terms of staff. So we will really be protecting the records in a much better way.

We had an internal audit to review our procedures. They're helping us, making sure we get it right, because obviously the security of the collection is of prime importance to us.

Mrs. Maria Van Bommel: So how do you handle recovery of things if they're stolen?

Ms. Miriam McTiernan: When we become aware of something being stolen, we've always dealt with the police, and I can give you an example. In 1999 and 2001,

some pieces were stolen from the Legislature. The police recovered all of the pieces in 2001. As soon as we become aware, we do call them, and we take it very seriously.

Mrs. Maria Van Bommel: You take it to the OPP and the police handle it?

Ms. Miriam McTiernan: Yes.

Mrs. Maria Van Bommel: Thank you.

Ms. Michelle DiEmanuele: Mr. Chair, when Ms. Horwath is back, I have the answer to her question on the aboriginal collection as well.

The Chair (Mr. Norman W. Sterling): Thank you very much.

Is there more volume in temporary storage than in the archives? What is the relative bulk or measure of those two facilities?

Ms. Miriam McTiernan: In temporary storage, we have over one million containers.

The Chair (Mr. Norman W. Sterling): And in the archives?

Ms. Miriam McTiernan: Just over 300,000.

The Chair (Mr. Norman W. Sterling): So the temporary storage is three times as large as the other one. In terms of volume in and volume out of temporary storage, is there more volume coming in than you are taking out, rejecting or is being destroyed each year?

Ms. Miriam McTiernan: We bring in a very little bit more to temporary storage than we actually destroy each year.

The Chair (Mr. Norman W. Sterling): Temporary storage is coming from the ministry, so that's a finite amount. On the outtake, there would be what is destroyed by the temporary storage people themselves, and 60% of it has been designated to go into the archives—so presumably, if it was there for seven years, that 40% would be an amount that would be destroyed by the temporary storage people. Then, of the 60% going to you or what you're considering, 21% of that is being destroyed, I assume, at that stage. So what they're getting rid of out of the temporary storage is still growing in total volume. In other words, instead of a million boxes next year, there are going to be a million-plus.

Ms. Michelle DiEmanuele: What I said is that I'd get you back a three-year history of what the growth is. I don't have the numbers with me. But I think your principal question is correct. Right now, if we don't continue to do some of the corrective actions that we've been taking over the last year or so, we could get ourselves into a storage issue, because there is an incremental growth, as you're pointing out. But we believe we've begun to address that through a number of activities. Certainly, again, working more vigilantly with ministries will also help, which I believe was one of the recommendations coming out of the report.

The Chair (Mr. Norman W. Sterling): I'm going to ask you this question on behalf of the committee after all the other questions have been done. If you have some ideas in terms of the committee making recommendations in our report that we will be writing to the

Legislature which will assist you in getting your message out to the ministries in terms of vigilance and what they're doing, we would love to hear those kinds of comments. In other words, our role here is not to be overly critical. On the other hand, we like to keep people's feet to the fire, in terms of having better administration of whatever the guidelines are and that kind of thing.

We still have some questions. I think you had an answer for Ms. Horwath on the aboriginal art question.

Ms. Michelle DiEmanuele: We think it may be. In 1985, we received a donation, through the Ontario Heritage Foundation, of three Norval Morrisseau pieces of work from John B. Carrel, so we believe that's probably the most significant we would have received in that time period related to aboriginal art.

Ms. Andrea Horwath: Thank you.

Mr. Ernie Hardeman: One of the questions that one of my colleagues wanted me to deal with had to do with the maintenance and storage of the art collection that the Archives has. I think it was fairly much answered with Mrs. Van Bommel's questions—that, "We're not perfect yet, but when we get into new facilities, things will be much better." Is that the way to interpret it?

Ms. Miriam McTiernan: Yes. In the new facility, we'll have a vault that's specifically designed for the artwork, and all of the artwork that's not on display on government building walls will be stored there.

Mr. Ernie Hardeman: I know we're going to get some clarification on the numbers, but I want to go back to the storage and the 21%, but from a different perspective. When the material is directed to go to the Archives, it's based on a schedule that the ministry has, where some is going to be stored for this long and this long. When it gets to the time where it's going to be archived because it's the type of material that the ministry has decided should go to the Archives, if the Archives decides that it's not archiving material, does the ministry then reconsider whether they want to destroy it or whether they want to store it longer in temporary storage?

Ms. Miriam McTiernan: If I can just clarify, the way we do records retention schedules—which is how we determine how long records stay in a ministry, stay in temporary storage and whether or not they come to the Archives—is done in a collaborative way between the Archives and the ministries and now our new record-keeping support people. So we will have agreed at the start of the process that a record will stay in the ministry for this amount of time, stay in temporary storage, and then come to the Archives.

Should a ministry have a business need at the end of that period and may need to retain the records for another couple of years, we will then change the date based on their need, but we may not change the disposition. Usually, as we're acquiring the materials and doing the actual transfer into the Archives, that's when staff will make the determination that, "Sure, this decision was taken 20 years ago, but maybe these records should no longer come to the Archives." That's often how that pro-

cess that I described, where we did go back and destroy, comes about.

Mr. Ernie Hardeman: I want to go back to the amount of material that we're archiving. Going back to our meeting today, I find it interesting, and it may be a small, moot point: It was suggested that the Hansard would be archived for the meeting. We are also going to save the presentation the deputy minister made, separate from the Hansard, when the Hansard already has all that. Does that get weeded out or is it all in the boxes? Do we have duplications for everything that happened?

1100

Ms. Michelle DiEmanuele: That would get weeded out as you work through the process, but it would be incumbent upon me, as I said, to pull together what those official records might be within what I am responsible for. I think, as you work through the supply chain, that duplication absolutely would be weeded out. Frankly, it would be weeded out by the fact that at some point I'll receive the Hansard as well. That then allows us to make those kinds of decisions.

Mr. Ernie Hardeman: The Chairman mentioned the growth of the records in storage waiting to go into the archives. Obviously, because we're getting new facilities and so forth, the growth of the archives is happening too. As time goes on, if we go back into the archives, we will find from 100 years ago that the amount of information that needed to be saved from government operations was a much smaller bundle of goods than it is today. At some point, if we keep going that way, the storage facilities are not going to grow as fast as the product that needs to go into them. How do we deal with that? I mentioned earlier, before we started the public meeting, that I lived in my same house for 40 years. I was my own archivist, so I had to decide what in my life and in our family's life was worth saving. But after 40 years, I either had to build an addition on the house, which I couldn't afford, or I had to get rid of some of the things I had if I wanted to store any more of the new product coming in. How do we deal with that with the archives?

Ms. Michelle DiEmanuele: I'm actually going to ask our chief information officer to take a first crack at that and then we'll continue from there.

Mr. Ron McKerlie: As we move to electronic records, obviously we don't have a volume issue anymore and it's not necessary to have everything produced on paper. So if we can use the electronic record as the record of government in the future, that will be incredibly helpful.

The other thing it allows us to do is to come up with better online search tools so that when something is FOI-able, for example, the vision is that we would put that tool and capability in the hands of the public so they could come in and look at the information directly, either to get it under the Freedom of Information and Protection of Privacy Act or, if it's in the archives, they could actually view it online because it's already digitized. As we move more and more into the electronic phase, we get more and more comfortable with the electronic record. I

think that's part of the answer to your question, in the future, in terms of shrinking the physical space that you need to store all of this.

Mr. Ernie Hardeman: Going to the electronic, then, is it possible to change the product of today that's on paper to electronic media for storage purposes, so we wouldn't have to have the environment that we need for our paper archives?

Mr. Ron McKerlie: Some archives are starting to do that. It's not an inexpensive process, but everything can be scanned and digitized. There are machines capable today, for example, of going through books at many pages per second and treating the source material very gingerly and capturing the images digitally and so on. We are doing a couple of pilots within the archives—and the Archivist can talk about the pilots that are under way and planned—to start to digitize more information. Then the question becomes, do you need the source document, and in which cases do you need the source document kept? But absolutely, that's a part of the solution for the future. It's not inexpensive but it does preserve the document.

Mr. Ernie Hardeman: So as we're looking into the future—let's first go into the past for a year or two, when the decisions were being made to expand facilities and to build a new building for the archives and so forth. Are we also looking at, as we're generating information, making sure we generate as much of it as we can in a storable way so we don't have to store all the paper? Is that part of the study?

Ms. Michelle DiEmanuele: I think the Archivist referenced that this is an area where we've begun to do a lot of review and also partnership working with those folks. I think you mentioned Washington as being a leader in this particular area. So that is part and parcel, as we built the foundation I talked a little bit ago about—this is the area we're now heading into, which is giving much more direction around how to store. I think the chief information officer also mentioned that one of the things we have to take into consideration is, when we store it today, will it be readable tomorrow? These are some of the challenges that we're still facing, and I'm not sure I would say with confidence right now that we have all the answers. These are the areas that we're really tackling right now as we address many of the other historical issues.

Ms. Andrea Horwath: I want to go back to the artwork just briefly, and I'm sorry that I missed a couple of questions that Mrs. Van Bommel put forward. On your document that talks about your future plans, it says, "Building Ontario's Memory," and one of the things that it indicates under "The Priority of Excellence in Custodial Strategies and Practices"—this is on page 16 in my package here. The second bullet point says, "Complete a full survey of our collections to identify risks and prioritize preservation requirements." Is this a list of everything or specifically of artworks? I think the timeline you have on this is 2010. I don't know where I read that, but I thought I saw that somewhere. Could I just get

a sense of whether that "survey of our collections to identify risks" is artworks or is it everything? Then I'll have a few more questions after that.

Ms. Miriam McTiernan: That actually refers to everything. Over the past three years, we've been surveying each of our collections. We've been surveying our photographs, maps and architectural plans, and we've completed a survey of the artwork. As we identify documents or art that are in need of repair, we're doing it right there. It's an approach we call a preventive preservation strategy. It's one that's unique to us; it's not done elsewhere. It has meant that we've been stabilizing and preparing a lot of our collection so that we can move it safely and so that it's preserved over time.

Ms. Andrea Horwath: So is it through that process that there is a discovery that some artwork couldn't be found?

Ms. Miriam McTiernan: That's another process that we follow. I was mentioning to Mrs. Van Bommel that we annually do a survey, through the building managers in towns and cities outside of Toronto and here in Toronto using the CAO's office in each of the ministries, where we ask the people to verify that the artwork we have listed being on display in their facilities is still where we think it is. That's how we discover if material has been moved. In the past six months, we've undertaken a project where we've gone around the province and physically inspected all of the artwork so we know where it is and it is where we think it is. We have taken the opportunity at that time to attach it to the walls with new kinds of devices that can't be undone without the permission of the curator.

Ms. Andrea Horwath: This is particularly for wall hangings; are there other kinds of artefacts or artwork—like soapstone sculptures, those kinds of things—that are also out and about in ministers' offices or other municipalities?

Ms. Miriam McTiernan: There are also pieces. All of the pieces you see around Queen's Park are part of the government art collection. There are some smaller pieces. They're usually in individual offices, so that means that the security on them is pretty good just as it is. We haven't had any difficulties with those.

Ms. Andrea Horwath: So you're pretty confident at this point that you have a full list of artworks and where they are, and you have a system for making sure that they don't walk away or that they don't end up in someone's briefcase.

Ms. Miriam McTiernan: That's correct. We have a system for tracking, yes.

Ms. Andrea Horwath: Okay, very good. It's on an annual basis that you review?

Ms. Miriam McTiernan: That's what we've been doing, but as I say, this survey that we just did ourselves—because the other one, we ask others to do—will now become our baseline.

Ms. Michelle DiEmanuele: I believe it's been 2001 since we've had any incident of any kind. That's a pretty good track record.

1110

Ms. Andrea Horwath: I wanted to ask a couple of questions about the management of the transportation contracts. I think in the auditor's report there was an indication that there was a discrepancy between what was being billed for and what was being utilized. I think \$700,000 came up as an issue. Do you have any best guess as to how long this has been an ongoing problem, and of course, then, are you certain that you've put the controls in place to make sure these kinds of contract management issues have been addressed?

Ms. Miriam McTiernan: As soon as we became aware of it, our records centre manager dealt with the supplier and sorted out the issues. We did get a refund on the amount that was outstanding. As we go forward now, we've put in place regular meetings where we talk about any billing issues and make sure it doesn't happen again.

Ms. Andrea Horwath: But the supplier continues to be the supplier of record for the Archives.

Ms. Miriam McTiernan: These contracts are up this year, so we will be redoing them. We'll have a new supplier and we'll have all of this good learning so that we can implement better systems for the next contracts.

Ms. Michele DiEmanuele: Let me just reiterate a point of clarification: The contracts that are up will have a new RFP process. We have not yet determined who any supplier would be.

Ms. Andrea Horwath: That was going to be my next question, because of course the auditor's report indicates that the records for the previous RFP process don't exist. This is of concern, obviously, to everyone around the table, so it's good that there's an RFP process that's going to be documented and, I'm sure, archived.

Ms. Michele DiEmanuele: Also, frankly, this report couldn't be more timely, because it actually informs us to be able to write an RFP in a way that makes sure we're getting the kinds of supports, controls, security and protection of information etc. in a way that we might not have envisioned had we not had that information coming in to us.

Ms. Andrea Horwath: The temporary storage facilities and the transportation companies—are they the same? Is it the same company that would transport the records and store them, or different?

Ms. Miriam McTiernan: We have two provincially-owned records temporary storage facilities, and then we have a contractor who does the transportation. Then we also have a private-sector storage facility, and they do the transportation. We'll just have to sort out—

Ms. Andrea Horwath: So it's a bit of a mix-and-match kind of deal.

Ms. Miriam McTiernan: Yes, so we'll have to do it better.

Ms. Andrea Horwath: All right. For the transportation company for which the RFP went missing, what is that company? What was the name of that company?

Ms. Miriam McTiernan: 4mode.

Ms. Andrea Horwath: 4mode?

Ms. Miriam McTiernan: Yes.

Ms. Andrea Horwath: F-O-R-M-O-D-E?

Ms. Miriam McTiernan: It's just a "4" and "mode."

Ms. Andrea Horwath: Okay. I'm just kind of curious. It's just that these kinds of things—they don't pass the smell test, if you will. I guess we're kind of a smell-test committee in some ways. That's very helpful.

Will you have someone on staff—or maybe you do already—who constantly monitors the quality of the various factors that you're going to be looking at for your new contracts? It's one thing to say, "We'll put an RFP process together; we'll make sure there are highly trained staff at our contracted facilities; we'll make sure that they understand the security issues; we'll make sure that records from the private sector and our records are kept separately for privacy purposes"—it's good to put that into contract language and to be really certain that that's what you're asking of your provider. What's the process to monitor that over the life of the contract, and what are you anticipating the life of those contracts to be—two-year, three-year, five-year or 10-year contracts?

Ms. Michele DiEmanuele: Let me tackle a little bit of the process, and then we'll see where we go from there.

With respect to the procurement process, let me just also point out that the Ministry of Government Services, where this has all been housed over the last few years, is also the expert in procurement for all of government. Naturally, given some of the issues that have been raised, as the deputy I will make sure that we have, through this next process, some of our best expertise supporting the Archives. This is not something they do as a regular course of action, so we will make sure that they get that kind of expertise on an as-needed basis as we work through developing that.

You've raised—even just for me today, as I think through that process which we're just starting to make our way through as those contracts become expired—that we need to look at: What is the right mode? Is it good to have two different providers in that supply chain? Is it better to have one? What kind of backups do you want? Those are the kinds of questions we'll be going through from a business perspective as we lay out what our needs are.

As we go through the process, we would have an independent fairness commissioner who will oversee the process. They will document—sort of a rubber stamp "yes" or "no"—with respect to any issues around the process. Obviously, if there were issues raised by the fairness commissioner, I would have to make a determination with the minister whether we go forward or not with a particular RFP. Once the RFP has been awarded, it would be incumbent upon the Archives to manage that contract. As you've heard, we've put some controls in place. There's also a new compliance unit that's working with ministries. We've just dedicated more resources to what has been a growing business for us over the last few years.

With respect to the lifespan, I wouldn't want to determine at this point. I certainly haven't had the benefit of looking at that yet. We try to negotiate—that's the

wrong terminology. As we write these RFPs, we try to look at what's going to give us the maximum sustainability and stability, for whatever business it is, against the value for the taxpayer. Sometimes a slightly longer lifespan can give us better value. Sometimes it may be an issue of such high security, with shorter time spans so that we have more flexibility. We look at out-clauses if we're unhappy. I think those are the kinds of things that we'll be looking at this time.

Ms. Andrea Horwath: What's the length of the ones that are expiring now? How long have they been in place?

Ms. Miriam McTiernan: Some of them have been in place for a long, long time.

Ms. Andrea Horwath: Could you give me some details on how long some of these contracts have been around?

Ms. Michelle DiEmanuele: Some have been in place more than 10 years, and that's why we're refreshing the whole process.

Ms. Andrea Horwath: Did they have firm expiry dates? Have they just continued to be renewed over time, or when they were actually completed, was it for a 10-year term?

Ms. Michelle DiEmanuele: Often, we write contracts that have an expiry date, with maybe one option to renew or two options to renew. These were renewable contracts. I'd have to get more detailed information for you; I don't know specifically. But the Archivist has said that they had an option to renew on these, and we did.

The Chair (Mr. Norman W. Sterling): Mr. Sousa.

Mr. Charles Sousa: Back to the stolen art: I just wanted to reaffirm that all art that's been stolen has been recovered?

Ms. Miriam McTiernan: All art that had been stolen in the last little while that we were aware of was recovered. I don't know back into the 1970s and 1980s.

Mr. Charles Sousa: When was the last time art was identified as being stolen or lost?

Ms. Miriam McTiernan: In 2001, there were three items that we were aware of that were stolen. We called in the police, and they were recovered. That was the last time.

Mr. Charles Sousa: Great. Part of the auditor's recommendations were around privacy controls over records. In it, he talked about privacy risk assessments of private contractors, security controls for storage facilities and some of the classification criteria—some of that confidential information that you've spoken of over this time. Can you just elaborate on some of the things that are being done in regard to improving privacy?

Ms. Miriam McTiernan: When we became aware that there were privacy issues—it was basically personal information on the outside of boxes in the records centre—we immediately took steps to have that changed. Now all of the boxes that did have private information on them have been replaced, and there no longer are any issues with privacy.

As we go forward with the new contracts that the deputy just spoke about, we plan on having much stricter controls around that. We plan on insisting that staff are bonded, that we're aware of who's handling our records. We also take great care with any of the transfer lists, which is the information about what's in boxes. If it contains personal information, it only goes by bonded courier. So we make a lot of effort to make sure that private information is protected.

In the Archives itself, for our front-line customer service, we regularly train our staff in terms of the privacy of personal information. We're continuously talking to them about the importance of maintaining it. It's something we take very seriously because we have a large collection, not only in temporary storage but also in the Archives, of information about the people of Ontario, and we want to make sure that it's very carefully protected.

The Chair (Mr. Norman W. Sterling): Mrs. Albanese.

Mrs. Laura Albanese: I guess the only question I would have is still regarding the art work. There is no artwork in basements or in precarious conditions at the moment?

1120

Ms. Miriam McTiernan: Currently, there is artwork in the basement of the Macdonald Block. We have an art storage area there. It's an area that's not ideal for the storage of art. The pieces that are stored down there are very large pieces, because when we became aware of the issues we thought about moving it over to the Grenville location, but they're simply too large; the building at Grenville won't take them. So to protect this art until we move we've implemented humidity control and we track it regularly. Staff are monitoring the area a couple of times a week to make sure that nothing is going seriously wrong. These will obviously be pieces that will get moved to the new facility at York and will be in the vault that's specifically designed for artwork.

Mrs. Laura Albanese: When they are placed in the vault, will the public be able to view them if they request to do so?

Ms. Miriam McTiernan: How we would manage that is we would take them out of the vault, bring them down to the reading room for people. But people can certainly view them if that's what they wish. These pieces are designed to be displayed on walls, so if somebody wanted a nice large piece we would obviously happily put it on a wall for them.

Mrs. Laura Albanese: I am familiar with the process. My husband is an artist, part of the Ontario Society of Artists, and I know that there is quite a process before they are accepted. So I'm quite impressed with the process that is in place right now. I just wanted to clarify about the storage of the art pieces.

The Chair (Mr. Norman W. Sterling): Thank you. Any further questions? Mr. Hardeman.

Mr. Ernie Hardeman: Very quickly, I was just going through my package here that was so ably prepared by our staff, the newspaper article about the missing pro-

ducts, shall we say, noted in the auditor's report. "The auditor's report cites an internal document prepared by the Archives that lists more than 60 groups of private and government materials that disappeared, including documents primarily from the 17th and 18th centuries pertaining to prominent families and individuals." Is that mostly artwork?

Ms. Miriam McTiernan: Actually, no. That refers to archival material. It was material that was stolen from the Archives in 1980—letters and letter covers, envelopes. What happened was that in 1980, when it first became clear, the Archivist of the day called in the police. The police investigated and discovered that it was an employee of the Archives who had stolen the material. The person was charged, and some material was recovered at that time. There was an understanding that all of the material had been recovered.

However, in 1990, they subsequently discovered that materials were coming on the market and being sold, and they understood at the time that this was material from the Archives of Ontario. Again, the police were called in, the person was charged with, I think, possession of stolen property this time and actually went to jail. About 1,000 items were recovered from his home, but there are still items that are outstanding. So we maintain this list, which is, if you like, our proof of ownership. We track auction sites, we track catalogues, we track various places; as material comes up that we believe is ours, we then follow up. We sometimes call in the police to recover as much as we can.

Mr. Ernie Hardeman: So, then, in the next paragraph—obviously, I know sometimes there is some question as to the accuracy of reporting in newspapers—the next comment is "This is not new," a spokesman for the government services minister said yesterday, 'and we're still trying to locate these things.'" So from that, as a citizen, I would read that they're still missing and we're still trying to locate them from something that happened, according to this, in the 1970s. I think if you were to ask the average investigator, you'd find that if it happened in the 1970s the chances of locating them today are getting minimal.

Ms. Miriam McTiernan: That's true but, as I say, it's probably two years ago an item came up that was part of that. So we don't want to give up. We would like to get as much as we can back, so we'll probably continue to monitor.

Mr. Ernie Hardeman: I appreciate the fact that you continue to monitor. At the same time, I would hope that you don't use a lot of your front-line resources in trying to follow up on the monitoring, because I think that your chances of recovery are getting quite minimal. Thank you very much for your presentation. I very much appreciate your being here this morning.

The Chair (Mr. Norman W. Sterling): Further questions? Andrea?

Ms. Andrea Horwath: I wanted to very briefly talk about the recommendation about getting the online database up to speed so that all of the collections are on

there and all of the information about what's in those collections is accessible to the public and government—all of that. In the summary report of the progress on this issue particularly, you've indicated that the Archives has developed selection criteria for prioritizing the collections to be added to the database. It goes on to say that new materials acquired will be fully described, that work will continue on the backlog as resources will allow and that the Archives is developing a multi-year plan for their remaining collections.

I just would like to have a bit of an understanding of where that project sits, what the timeline is for having not only all the collections eventually available on the online database, but also making sure that, as the auditor indicated in his report, the information is fulsome, so that people can actually identify what's available.

I think the way it's described in the report is that there are markers or some kind of finding aids, and that even for many of the collections that are currently on the database the finding aids are not really there. It seems to me this is an area that needs some work. I get concerned about language like "work will continue on the backlog as resources will allow," because there's a lot of work, obviously, that needs to be done, and with the move, a lot of focus needs to be on that.

I might as well get it all on the table, and then you can just run with it. The other issue is that there's some indication here that there is a significant amount of dollars paid to the private storage facility to start identifying some of the details around the records that can be then fed into this process, if I'm not mistaken. The Archives has paid a private storage contractor more than \$1.2 million to create lists of the contents of over 81,000 containers of records. Is that function of identifying more specifically and putting in place the markers or whatever that word is—I can't seem to keep that word in my head. Will your process for getting new transportation and storage contractors include doing some of this work, or is this again going to be another couple of million dollars added on to contracts when the money's available in the budget or when you can get funded for it?

Ms. Michelle DiEmanuele: Let me tackle the first couple, and then I'll let the Archivist talk specifically about the private storage.

Obviously, as the deputy minister, I constantly look at our priority needs. With respect to the Archives and the database, this past year we put 60,000 new pieces into that database. If you look at about 250 working days a year, that probably equates to around 200 to 220 items per day. So you can see we are actively working on this.

I have moved resources into the Archives, not just since the auditor's report, when we had some additional gaps identified, but over the last couple of years. That has allowed us to set up a compliance unit, for instance. We talked a little bit about controllership today. It's also resources to help make sure we move this collection effectively. It's not just about building a new building; it is also about the effect of moving. As you've heard today, in that particular project it doesn't just give us the by-product of an effective move, but we're getting a

number of other by-products around tagging and inventorying our collection. So we have been putting resources into this area to make sure that we are dealing with the recommendations. Last year, as I say, we put another 60,000 entries into that database, bringing it to a total of 800,000.

I'll let Miriam speak more directly to some of the other parts of your question.

1130

Ms. Miriam McTiernan: As we've said, it is our intention, over time, to have all of our collections described in that database. That database went live in 2001, so it's representing work that's been done since that time. As you can imagine, the Archives had used paper-based systems, so when we talk about going back, it's a matter of going back and using the legacy-based systems and then upgrading them.

We use in that database a system called the rules for archival description. It's the Archives' version of what a library would use in a library catalogue. So the work has to be done by the Archivist, and it is.

At this stage, we're standing at 76% of government records that are fully described in that database, and 73% of our private collection. Since 2001 to now, I think we've made great strides in getting there.

The other piece you were referring to is an activity we undertook for better access to the collections because the lists we had prepared are indexed and searchable. We had them done—not by our private sector storage provider, who does have fully bonded staff, because the collections are actually stored at their facility. It saved us some money in having them do it. This makes our collections much more accessible to our customers. It makes our FOI process a lot more effective in that staff are not having to look through hundreds of boxes, because they can access these lists and search them.

Ms. Andrea Horwath: That's great. So you'd say, of the 76% of government records, that would leave about 24% that still need to be put on the online database and, similarly, another 17% of the private holdings need to be put on the database.

Considering this database went live in 2008—let's just say, averaging, two thirds of both types of collections have been put online—what's the projected completion date for the online database to be full?

Ms. Miriam McTiernan: We're scoping it out this year, so I think we'll have much better information at the end. We need to understand what the remaining collections are, how large is the effort to describe them, and then we'll go forward. That scoping is under way right now.

Ms. Andrea Horwath: So at this point you couldn't say, "We're hoping within five years or within three years?"

Ms. Miriam McTiernan: I would say five years might be a more reasonable thought at this stage, but I don't know. I haven't seen the scope.

Ms. Andrea Horwath: Then the issue about the finding aids: I think the auditor's report indicated that of the 60% of the sample they took that were described in

the database, no finding aids were available for almost one third of the things that were already in the database. The sample that was done to try to figure out what's happening is about halfway down page 50 of the auditor's report. It indicates:

"For instance, in a sample of archival items that we tested, including textual records, maps, films, and audio and video recordings, from the Archives' head office and its contractor's storage facility, 40% had not been processed and described in the database. Of the 60% that were described in the database, no finding aids were available for about one third."

Ms. Miriam McTiernan: We would regard the database as the finding aid.

Ms. Andrea Horwath: Can I get an understanding, then, from the auditor what—

Mr. Jim McCarter: I think what we were getting at, and we discussed this in our in camera session: Often in the front of the container there's a fairly general description, and one of the issues we had was what was needed was a more detailed description of exactly what was in the box. So the key we were getting at was to make sure that all the information is readily accessible to the public.

From what I'm hearing from you, you're saying that once it's in the database, it's specific enough detail-wise—document by document, photograph by photograph—and it would be readily accessible by the public. That was kind of the general discussion we had on the issue.

Ms. Miriam McTiernan: We rarely catalogue items at the individual level. Mostly it would be at the group-of-records level. We will get the lists that I mentioned to you: If there are files in boxes, we will have file lists. But we don't go to the item level. It's just the nature of the business. It's not how archives do it; there's simply too much material and just not enough time. So we try to describe at a level of specificity so that a researcher can find what they need, but in the end they will have to spend some time doing the research.

Ms. Andrea Horwath: Doing some digging.

Ms. Miriam McTiernan: Yes.

Ms. Andrea Horwath: That's very helpful. Thank you very much.

The Chair (Mr. Norman W. Sterling): Can I ask, on the revenue side of the Archives—this is a huge asset. Archives in general that are for governments: Do we do similar charges for services as there would be in the United States or in other jurisdictions or other provinces?

Ms. Miriam McTiernan: Yes, we do. In fact, we benchmark that type of activity on an annual basis to make sure that our charges are in line with what is being charged in Ottawa, and we look at some of the US too.

The Chair (Mr. Norman W. Sterling): Is there a difference in the charges between a resident and a non-resident of Ontario or a non-Canadian or a Canadian?

Ms. Miriam McTiernan: No. We charge the same for what people ask for.

The Chair (Mr. Norman W. Sterling): Is that fairly consistent in terms of, let's say—I don't know whether the state of New York has archives or not. If I went there

and asked them for a record or to search or whatever, would it be roughly the same for a New York resident coming here and asking the same thing?

Ms. Miriam McTiernan: My knowledge of archives—and I've been to archives in the US, in the UK, in Europe—is that you will have to show some ID as to who you are, but beyond that, there will be no differentiation in either the service or the charges.

The Chair (Mr. Norman W. Sterling): If there are no further questions, I did say to you that I wanted to give you the opportunity, if there were any areas where we might help in terms of writing our report, to get co-operation from other sources, be they ministry people or whatever. Our reports are not just directed at the Archives and the staff or you, the deputy, but they can be directed at a number of other people where co-operation may be needed.

Ms. Michelle DiEmanuele: Let me first say thank you. This is my third, I believe, trip to public accounts over the last few years and I've always found it to be very helpful. There were a few things today, obviously, that I'll reflect on, particularly as we're writing the RFPs for the process, making sure that we just don't write an RFP for the existing process but looking at how we best re-engineer it where it makes more sense, or some of the other suggestions that were made. So thank you.

I also want to thank the Auditor because I think the fact that we were selected in itself becomes an important tool for us to continue to improve the service and make it

more effective. I do believe we've had a co-operative relationship. Although we don't always agree, I think we always agree on one thing, and that is that we do want to make public services better for the public.

I'd like a chance to reflect on this and, if I could, Mr. Chair, write to you in the next 24 to 48 hours. In my letter to you, I would be highlighting very much what I think you highlighted in the report overall, which is to ensure we have roles and responsibilities clear, accountability lines very clear, that we're constantly looking at the business—for instance, the issue of storage today—that we're making sure that we're not just reacting to the moment but we're getting ahead of where we may be going with the archival processes of the future, as we think about electronic storage. I'll reflect on those kinds of things, but I think you'll see me trying to emphasize the two or three points that have been in the report and have come up here today. I absolutely would take you up on your recommendation to give you some advice.

The Chair (Mr. Norman W. Sterling): Thank you very much. That ends our session with you. May I, on behalf of all members of the committee, ask you to convey to your minister a speedy recovery and our best wishes to him.

For members of the committee, we will break now for five minutes. There are some sandwiches next door. We can bring them back in, and we'll talk to the researcher five minutes from now.

The committee continued in closed session at 1138.



CONTENTS

Thursday 10 April 2008

2007 Annual Report, Auditor General: Section 3.01, Archives of Ontario and information storage and retrieval services	P-109
Ministry of Government and Consumer Services	P-109
Ms. Michelle DiEmanuele, deputy minister	
Ms. Miriam McTiernan, Archivist of Ontario	
Mr. Ron McKerlie, corporate chief information and information technology officer	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mrs. Julia Munro (York–Simcoe PC)

Mr. Charles Sousa (Mississauga South / Mississauga-Sud L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

A20N
C21
P72



P-8

P-8

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Thursday 1 May 2008

Journal des débats (Hansard)

Jeudi 1^{er} mai 2008

Standing Committee on Public Accounts

2007 Annual report,
Auditor General:
Ministry of Health
and Long-Term Care

Comité permanent des comptes publics

Rapport annuel 2007,
Vérificateur général :
ministère de la Santé et des Soins
de longue durée

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTS

Thursday 1 May 2008

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
COMPTES PUBLICSJeudi 1^{er} mai 2008

The committee met at 0940 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF HEALTH
AND LONG-TERM CAREMINISTÈRE DE LA SANTÉ ET DES SOINS
DE LONGUE DURÉE

Consideration of Section 3.10, long-term-care homes—medication management.

The Chair (Mr. Norman W. Sterling): Good morning. My name is Norman Sterling. I am the Chair of the public accounts committee. You can see that we have many members of the committee here.

This morning, we are dealing with the auditor's report, which became public in early December. We're dealing with the section on long-term-care homes and the management of the medication that's given to patients.

We're pleased to have with us today Ron Sapsford, Deputy Minister of the Ministry of Health and Long-Term Care, along with, I understand, Davie Cutler, who is the chief executive officer of Leisureworld Caregiving Centre, and Shelagh Nowlan, who is site administrator for Providence Continuing Care Centre in Kingston.

As well, the deputy minister has other people with him, so I will turn it over to you, Deputy Minister. I know you have some opening remarks, and then we'll probably go to questions after those opening remarks.

Mr. Ron Sapsford: Thank you, Chair. By way of introduction, sitting on my right is Mr. Tim Burns, who is the director of the performance improvement and compliance branch in the Ministry of Health and Long-Term Care.

0950

On behalf of the Ministry of Health and Long-Term Care, I thank the Standing Committee on Public Accounts for again giving me this opportunity to appear before the committee and on this occasion to discuss some of the important issues explored in the Auditor General's 2007 report on medication management in Ontario's long-term-care homes.

I also thank the Auditor General's office for identifying the key medication management issues facing the sector, where continued focus is crucial to ensure the best

for the care and safety of Ontario's 75,000 long-term-care residents.

I'm pleased to update you on the ministry's work on these issues since last year's audit was conducted. The ministry is putting in place significant processes that will change the way medication management is approached in the sector.

At this time, I'd like to introduce the representatives from two of the three long-term-care homes that were audited for this report. On my immediate left, Mr. David Cutler is the chair, as I said, from Leisureworld, representing Leisureworld St. George, and Shelagh Nowlan is from Providence Manor.

The ministry, the three long-term-care homes involved in the audit and their associations, the Ontario Long-Term Care Association and the Ontario Association of Non-Profit Homes and Services for Seniors worked together to respond to the Auditor General's report and to complete the status report that was forwarded to you prior to today. We have also been working with the associations and the homes on the initiatives that I'm going to report to you today.

I'm very pleased to report that this collaboration has been extremely positive, and the ministry looks forward to continuing to partner with the sector as these initiatives are implemented.

Before I begin this update, I want to note that the ministry was very encouraged by the Auditor General's positive references to the ways that the three long-term-care homes managed medications: "All three of the long-term-care homes we visited had procedures in place to ensure that they obtained physician-prescribed medications and administered them to residents in a safe and timely way."

We were also pleased to learn that the auditor found that all homes monitored all residents and that all the homes visited "had agreements with pharmacies that complied with the ministry requirements and described in general terms the pharmacy's responsibility to monitor potential drug interactions."

The auditor's report noted that all of the pharmacies maintained a medication profile for each resident that included the list of drugs and a medication profile that listed medical conditions that the pharmacist should be aware of. We also appreciated that the auditor recognized the roles and responsibilities of the professional providers—the doctors, the nurses and the pharmacists—and

acknowledged that all were aware of their respective colleges' requirements and were working within these obligations.

We thank the auditor for noting areas that can be improved. This is how the system will continue to improve to meet the needs of the residents of our long-term-care homes.

Before outlining the changes that are taking place to address the recommendations of the auditor, I would like to discuss the accountabilities and professional responsibilities for medication management within the long-term-care-home sector. As the Auditor General pointed out, this clearly falls within a number of areas.

Physicians prescribe medication for long-term-care-home residents and review patient-care plans based on their knowledge and skill and the clinical circumstances of the individual. Physicians, as you know, are accountable to their regulatory body, the College of Physicians and Surgeons of Ontario.

Pharmacists dispense medication for long-term-care-home residents on the basis of a physician's or other recognized health professional's prescription as well as the pharmacist's knowledge of the individual and the prescribed drug. It's the responsibility of pharmacists to work with the prescriber and home to identify potential drug interactions and to provide advice on the appropriate drug therapy.

Long-term-care homes contract with pharmacies to provide prescriptions and other medication ordered by physicians for residents, as well as advice on other medication-related issues. Pharmacists operate in accordance with both provincial and federal legislation and also the standards of practice of their regulatory body, the Ontario College of Pharmacists.

Nurses apply their knowledge of the resident and the medication when assessing and administering medicine, evaluating an individual's reaction to the drugs and planning and documenting the medication administration process. Nurses are guided by the medication practice standard of the College of Nurses of Ontario. They are the key link between the physician and pharmacist when it comes to medication management for each resident.

As of April 1, 2007, the province's 14 local health integration networks play a key role in the planning for and funding of long-term-care homes. Ontario's more than 600 long-term-care homes, both for-profit and not-for-profit, are regulated by the ministry and have a responsibility to provide the care to meet the needs of their residents. The ministry, as steward of the health system, is responsible for setting standards of care and conducting inspections of long-term-care homes to safeguard residents' rights, safety, security, quality of care and quality of life.

The government recently introduced Bill 140, the Long-Term Care Homes Act, 2007. I will not speak at length today about the legislation, which received royal assent last June, but I will say that the changes will improve care for residents and strengthen enforcement and the accountability of long-term-care homes.

As part of the mandatory annual inspection process of all long-term-care homes, compliance advisers review the medication administration practices and record-keeping for patient care plans, as well as narcotics management. The compliance advisers also ensure that the residents' response to medication and to treatments is assessed and documented, including medication provided to treat behaviours, pain and wounds. The long-term-care-home public reporting website provides information on the outcomes of inspections of individual homes and their record of care.

I now want to turn to the changes I mentioned at the beginning of my presentation—changes to address the issues that the Auditor General has raised, specifically related to the definition of medication errors; the number of, and potentially high-risk, medications prescribed for residents; the ministry's Ontario drug benefit program system alerts; the Ontario government pharmaceutical and medical supply service drugs; and environmentally responsible practices to dispose of medication.

In keeping with the ministry's role, the ministry is convening a task force on medication management. Membership will be made up of the long-term-care-home associations, the Institute for Safe Medication Practices and sector leaders. Additional sector representatives and the regulatory colleges will be engaged on a topic-specific basis. A letter dated November 2007 from the long-term-care-home associations and the ministry announced the formation of this task force and has been widely endorsed by the sector. The task force is expected to meet for the first time in the spring and will continue as long as is needed to complete its mandate.

The task force will address many of the issues identified by the Auditor General, as well as issues that are brought forward by sector members. Its mandate will be to engage the sector membership to identify issues and to utilize their expertise to propose opportunities for improvement. As such, the expectation is that the task force will identify targeted improvement opportunities that can be applied across the sector. The task force will consider issues such as the number of, and potentially high-risk, medications prescribed for residents, including psychotropics, standing orders and disposal of drugs.

However, let me assure the standing committee that the first priority for the task force will be a made-in-Ontario definition of "medication error" that is specific to the long-term-care sector. This is not as simple as it sounds. The College of Nurses of Ontario and the college of pharmacists each has a definition of "medication error" that their members must follow, and, to be clear, they're different. As well, other Canadian provinces have developed their own definitions of "medication error," but there is a recognition that a long-term-care sector-specific definition for "medication error" is needed to provide a consistent and coherent approach to what should be reported.

The ministry has recently enhanced and facilitated the reporting of incidents through a new critical incident system. I would like to add that the ministry committed

to doing this in its response to the Auditor General's report and has met this commitment.

1000

The critical incident system is a web-based initiative that is mandatory for homes to use to report and manage incidents. The current definition of an incident is set out in the long-term-care home manual and includes medication errors, misappropriation of medications and adverse reactions. When the new, and potentially broadened, definition of a medication error is developed, it will be incorporated into this critical incident reporting system. This computer system will provide more information than the former paper-driven format and in a more timely manner. Over time, this system will also enable early warnings of potential issues and risks and allow for links with different sectors of the ministry, such as public health, as well as other ministries, such as the Ministry of Labour, on matters that affect seniors.

The system is intended to provide enhanced data collection and root cause analysis, empowering homes, pharmacies and the ministry to use the information as part of their quality improvement process. This includes identifying patterns of medication errors and discussing the findings with the homes' physicians and pharmacists.

I'd like to speak briefly about the common assessment tool. The ministry is presently implementing the common assessment tool, and its technical jargon is RAI MDS 2.0, which is the actual tool that's used in all of Ontario's long-term-care homes. This tool is a standardized assessment that will be used for all long-term-care home residents to identify a resident's abilities, preferences and care needs and to develop individualized care plans. Until the common assessment tool came into use, there was a variety of care planning tools being used by homes, making it difficult to compare the quality of care across all long-term-care homes.

The common assessment tool will enable the ministry and long-term-care homes to benchmark results and monitor standards and quality of care. It includes drug-related quality indicators to support caregivers in identifying residents at higher risk for increased monitoring related to medication effects.

Resident outcome reports can also be generated by the system which would provide information on medication management for each resident. Currently, 217 homes are using this tool and it is anticipated that the entire sector will be using it by 2010-11. At the time the auditor was completing his review, 25% of homes were using the tool, and by June of this year, this will have increased to 45% of homes.

Right now, 10 homes are piloting a section of the common assessment tool for automated medication tracking. This section records medications in use for each resident, providing easily available information for caregivers. The use of this section of the tool will support better care planning related to medications and increase the ability of caregivers, as well as the ministry, to conduct analysis on a resident-specific or system-wide basis. This section of the assessment tool may also be able to

identify the prevalence and outcomes of medication use across the system, including high-risk medications.

In addition to the critical incident system and the common assessment tool, the ministry has built information alerts for pharmacists into the ministry's Ontario drug benefit program computer system. The drug use review process is part of the online claims adjudication system and it's intended to enhance—not replace—professional judgement by pharmacists.

The Auditor General reported that there were 18,000 level one alerts in 2006, 91% of which were overridden and dispensed to residents. With more than 19 million prescriptions dispensed to long-term-care homes yearly, this represents 0.095% of total prescriptions. As well, as the auditor noted, of these 18,000 alerts, many are due to the same prescription being prescribed over and over to the same resident as part of care and treatment.

In any event, pharmacists must use their professional judgment to determine whether or not it's appropriate to dispense the drug. It's a standard of practice that if pharmacists identify any concerns regarding a prescription, they will contact the prescriber to verify the use and need for the prescription.

This led to the auditor's concerns over the number of medications in use by each resident and the reference to drugs that should be avoided. The Institute for Clinical Evaluative Sciences, in a soon-to-be released report, notes that the use of inappropriate drugs in long-term-care homes has decreased slowly, but steadily, over the last five years. Through the task force that I discussed earlier, the ministry will work with homes and regulated health professions to encourage and support discourse on this topic and on best prescribing practices.

To support pharmacists in working more closely with the homes, the ministry is reviewing the overall reimbursement structure for pharmacy professional services and dispensing services to long-term-care homes. To date, the review has identified more intense professional services that can be offered to long-term-care homes. In principle, this will be similar to the MedsCheck program, which was introduced last year through the Ontario drug benefit program. The ministry is now examining costing information to better understand the various options to amend the current reimbursement structure so that it includes professional services.

As to the Ontario government pharmaceutical and medication supply service, drugs that are provided free to the homes and potential wastage is generally limited to non-prescription drugs such as Gravol and Aspirin. The total funding for this, for the whole sector, is \$3.4 million a year. The ministry is now providing these products through pharmacies to the homes. In terms of environmentally responsible practices to dispose of medication, this as well will be considered by the task force and as part of the regulations in support of Bill 140.

Finally, the ministry has also engaged the long-term-care sector and its partners in a dialogue on quality through five quality summits convened across the province since January 2008. There were a total of over

600 attendees from the long-term-care sector. A number of ideas were tabled for the ministry's consideration in ongoing efforts to improve quality in long-term-care homes.

On behalf of the homes, I would like to stress to the committee that, in my view, the homes have taken this audit extremely seriously. Each home has undertaken to review their protocols and processes around the issues discussed in the report.

With respect to the relationship with their pharmacists, each home has reviewed their current pharmacy contracts with a view toward improving the integration between the pharmacy and the home. This includes adding specific reporting requirements and monthly reviews to their contractual agreements.

With respect to consent, homes are actively seeking processes to obtain consent that enable the residents, their families and substitute decision-makers to feel informed and included in the residents' care. However, it is crucial that these efforts do not unnecessarily delay treatment of residents in emergency and urgent circumstances.

The homes noted that they and the regulated health professionals follow the guidelines set out in the Health Care Consent Act and by the professional colleges as part of their standards of practice. The homes did indicate that the compliance advisers review this requirement during on-site inspections.

In closing, let me say that many players in the long-term-care home system have a stake in—and are continuing to work hard to improve care in all its facets—long-term-care-home residents, including the critical area of medication management. We all want long-term-care residents to receive quality of care, just as we would want for our loved ones or ourselves.

Once again, I thank the committee for allowing me to address you on this important issue. We're happy to take questions at this point.

The Chair (Mr. Norman W. Sterling): Thank you very much, Mr. Sapsford. Mr. Cutler or Ms. Nowlan, if you wanted to say anything at this time, you could. If you don't, that's fully understandable and you can help answer questions. What is your choice?

Mr. David Cutler: My choice is not to say anything at this point in time.

The Chair (Mr. Norman W. Sterling): Okay, that's fine. Mr. Hardeman.

1010

Mr. Ernie Hardeman: I want to thank everyone for being here, and in particular the deputy for the great presentation. I want to start off by saying that I think all of us in the committee—I know, speaking for myself—agree with your last page. I think we're all in this to make the system work better, and it's in everyone's interests to make sure that it's done, recognizing the fact that everybody is doing a good job, as we're doing now. We're just looking to refine it.

The reason I'm bringing that up first is because my question really is going the other way. Obviously, this committee's responsibility is to look at the auditor's

report, find out what he's reporting on, and then have the ministry come in and explain it and what they're going to do to fix it. Obviously, there was some concern or some questions about the auditor's report that the committee felt warranted asking this sector of the ministry to come in and talk to us—and I spoke to the deputy earlier; he's been here a number of times with different sections of the Ministry of Health. Every time I hear, "We're very happy that we got this auditor's report because it's going to be very helpful"—I can understand that. The Auditor General's office is a good group of people and they're very helpful. But I'm a little concerned.

The responsibility for the ministry is to regulate and inspect the long-term-care facilities. Serious things like not having proper records of the drugs people take and don't take, and making sure that it's all being done properly, and that there are not enough records, in the auditor's opinion: Why does that not turn up in the ministry's inspections? Why does it take an auditor to bring this forward and get all of this new process, which I think is a good idea, into play? If we do the inspection, wouldn't we notice something like this?

Mr. Ron Sapsford: Inevitably, it does show up from time to time during compliance inspections. Where it is noted that there need to be improvements, then recommendations are left with the home, and as part of the compliance process, homes are given a period of time to correct the issues. In some cases, it's a one-off; there's one example of it. In other cases, the inspection might lead to a more systematic problem, in which case the recommendations that are left with the home will vary, depending upon the number of circumstances. So that the auditor has gone in and looked at this particular part of a home's functioning and found areas of improvement, in a sense, is to be expected.

I think what we're trying to do as a ministry using the auditor's report is to look for more systematic solutions, as opposed to an individual home, and try to, in a more systematic way, find solutions that can be applied more broadly. So the ministry views the auditor's work as a quality improvement tool, and where we identify systematic issues that need to be corrected, move in that direction.

So I would hope you could see that in the minister's response—by looking at the critical incident reporting, by putting these things into automated form as opposed to paper records, by bringing the whole sector together, including the colleges, to improve the overall approach to it—is really what I want to focus your attention on today. But compliance inspectors on their inspections find issues that are dealt with all the time.

Mr. Ernie Hardeman: Thank you very much for that answer. I wasn't inferring that the auditor's report shouldn't be helpful in improving the system. I'm more concerned, taking from your presentation, that "the ministry, as steward of the health system, is responsible for setting standards of care and conducting inspections of long-term-care homes to safeguard residents' rights, safety, security, quality of care and quality of life."

I don't think there's anything that has a greater risk to the quality of care than the prescribing, giving and monitoring of medication. It's a wonderful thing in our society, but it also has ramifications—giving too much or too little and making sure the records are straight. So I'm quite concerned when the auditor comes in and finds there's a problem with that, that not all medication that's been given is being recorded properly, and I'm also concerned with the fact that in reporting when there's a problem, we don't have a definition of what requires reporting and what is considered a problem with medication—a critical problem or whatever it's called.

Mr. Ron Sapsford: Medication errors.

Mr. Ernie Hardeman: Medication error. I don't understand medications that well, but it seems to me it's either right or it's an error when you're administering medication. Shouldn't there be some way to record that and to make sure that was in place without having an auditor tell us that it's a problem? Is it something that we've overlooked too long?

Mr. Ron Sapsford: No, I don't believe that's the case. I think the issue we're confronting is what you actually consider an error to be. I'll give you some examples.

Error can occur because the wrong drug was given. That's a major issue. Some definitions include not only the right drug, the right route, the right dosage and the right time; each of these definitions has a definition. So the right time: If the prescription says at 2 o'clock in the afternoon and for a variety of reasons it wasn't given until 2:30, some definitions call that an error but other definitions simply look at the impact on the patient or the resident to whom it's been given. So if, yes, it was given 30 minutes late but it didn't have an appreciable effect on the care or the impact on the patient, other definitions don't include it. So depending upon which set of definitions you look at, you get a different set of things to actually keep track of, and as you've suggested, to record.

The definitions of the College of Nurses of Ontario, are different to the ones that the Ontario College of Pharmacists uses, principally because they are different professions and have different roles in the health care system. The challenge for us is to work with all of these definitions to come up with a consistent one that we can apply uniformly across the system.

Right now, there are definitions in use in homes, and my colleagues can perhaps speak to that, but the wrong drug is an error no matter how you look at it. The dose of a drug would be an error no matter how you look at it. Whether it was given on time and those sorts of things are where we get into more vagueness. But safe medication management, irrespective of what the ministry says, is the responsibility of health professionals who are working in these facilities. To a degree, the ministry relies on professional practice standards as part of the mechanisms that are used to achieve quality of care. This isn't only about the ministry setting a standard and inspecting, but also our self-regulated professions and their

responsibilities in providing safe care are part of how our health care system works.

Mr. Ernie Hardeman: In the definitions, is it required that there's a negative reaction to something happening before it's recorded as a mistake?

Mr. Ron Sapsford: Well, there's a difference between a mistake and an adverse reaction. An error is something to do with an incorrect application of the prescription: the prescribing directions of the physician, dispensing by the pharmacist and administration by the nurse. An adverse reaction has to do with the drug itself. An adverse reaction because the wrong drug was given would be considered an error. An adverse reaction to the appropriate drug being prescribed, dispensed and administered is something to do with the physiological reaction to the drug. Yes, it would be noted, yes, the physician would be notified, yes, a change perhaps in the drug, but it wouldn't be considered an error.

Mr. Ernie Hardeman: Are there any definitions that would include or not include that the administration—like you said, "It was supposed to be at 3 o'clock. We missed the 3 o'clock one and we didn't give it until 6." Is there any definition of a drug error that would include that as having to be recorded as a drug error?

1020

Mr. Ron Sapsford: Yes, there are definitions that do include that.

Mr. Ernie Hardeman: So the administration of it is also a part of that.

Mr. Ron Sapsford: Yes.

Mr. Ernie Hardeman: But it doesn't deal with a wrong prescription. If a doctor makes an error in prescribing a drug, that wouldn't be classed as a drug error on behalf of the facility.

Mr. Ron Sapsford: Well, the homes and the ministry's inspection system have few ways to detect an error in the prescription. There is a relationship with the pharmacist, so the pharmacist is aware of the medical condition, the reason for the drugs and so on and so forth. If there are perhaps errors in dosage—the physician writes a prescription and, let's assume, makes an error in prescribing twice the normal dose of a drug, which would be an example—then the pharmacist's role in dispensing the drug would be to notice, "Well, this is twice the usual dosage of what I would normally prescribe. Is there something about this particular resident or is this in fact something I need to talk to the physician about?" Those kinds of prescribing issues are normally dealt with between the pharmacist and the physician.

Mr. Ernie Hardeman: All drugs administered in the facilities are monitored and recorded, so I could go in and find out what medicine my mother got today, tomorrow and yesterday?

Mr. David Cutler: Yes. Drugs that are administered in the homes are recorded and signed for. If you have to give a drug three times a day, it comes on a medication administration record sheet. It's documented there: the patient, the drug, the dosage, the strength. It has to be administered, and the person who administers it has to

identify the resident, the drug, and sign once it's given. So there is that record in the home.

Mr. Ernie Hardeman: Is that also true for the medication errors? Are they all recorded? Recognizing that each facility may have a different definition of it, whatever definition you use, are they recorded?

Mr. David Cutler: To the best of my knowledge, I believe that they are recorded. There are very standard definitions as well of what is considered to be a drug error, and the practice is that these are recorded. In fact, once they're recorded, they are also reported in an incident report to the ministry and to the home's administration.

Mr. Ernie Hardeman: I have just one more question and then we'll let somebody else have a turn. If all medications given are recorded and if every error is recorded, the only thing we're having a problem with is the definition of what an error is. Other provinces have developed their own definition. To the deputy: What's been holding us up? Obviously this problem didn't arise when the auditor did the audit; this problem has always been there. This is the first time it's been identified to this committee. We must have known before that we needed a common definition of what would be a drug error.

Mr. Ron Sapsford: I want to be very clear on this. There is a definition and there has been one in practice. What we're facing, partly based on the auditor's work, who did look at other jurisdictions, is that there's inconsistency in the definitions. What we're trying to do is to provide a common definition that covers, in general terms, all eventualities.

All homes have been using definitions of "errors." The question here is, are they adequate, and what's the best definition to use and apply in a systematic way?

Mr. Ernie Hardeman: This is the last one for sure: What we're saying is, then, that each home is recording the medication errors, and I could go into any home and they would tell me how they define that error?

Mr. Ron Sapsford: Yes.

Mr. Ernie Hardeman: Okay.

M^{me} France Gélinas: Can I direct my question to anybody, or do they decide among themselves who—

The Chair (Mr. Norman W. Sterling): No, you can direct it to anyone.

M^{me} France Gélinas: Shelagh, we'll start with you. I'm trying to understand the human element of what we're talking about. Does your home deal with one specific pharmacy?

Ms. Shelagh Nowlan: Yes, we do have a contract with a local pharmacy in Kingston.

M^{me} France Gélinas: How did you go about selecting that pharmacy?

Ms. Shelagh Nowlan: There are criteria within the long-term-care standards that pharmacy services are required to provide to a home. So our contract includes those criteria in the selection, in the contract.

M^{me} France Gélinas: Did you have a good selection of pharmacies you could have chosen from that were able to meet those criteria?

Ms. Shelagh Nowlan: We have a long-term relationship with a local pharmacy that has continued to provide us with services. There are a selection of pharmacies throughout the province that do have the ability to perform those duties.

M^{me} France Gélinas: I take it they provide services 24/7?

Ms. Shelagh Nowlan: Correct.

M^{me} France Gélinas: Do you have any way of ensuring that there's continuing education in long-term care, specifically dealing with long-term-care clients etc., happening with the professionals that you deal with at the pharmacy?

Ms. Shelagh Nowlan: Yes, that is part of our contract with our pharmacy. The pharmacist is actually in our home for half a day a week, where they are working with our staff, the physicians and the residents. So there is one pharmacist assigned to our home who builds a good working relationship with staff and with residents.

M^{me} France Gélinas: I'll move to another profession: physicians. How many physicians are associated with your home?

Ms. Shelagh Nowlan: At Providence Manor, we have 14 physicians who have attending physician agreements with our home, and we have one medical director. Our home is a 241-bed home.

M^{me} France Gélinas: Do most of the residents come in with their own family physicians, or are they assigned?

Ms. Shelagh Nowlan: That is happening less frequently as some changes occur. So if their family physician is not able to meet the service agreement requirements of the attending physician service agreement, then one of the physicians who are within the home accept the medical care for that resident.

M^{me} France Gélinas: Do you have any difficulty recruiting physicians to look after your residents?

Ms. Shelagh Nowlan: At this time, we are very fortunate. We have a team that has been in place for a long time—recognizing, across the system, there are some challenges ahead.

M^{me} France Gélinas: What kind of remuneration do you give to the physicians who work in your home?

Ms. Shelagh Nowlan: The attending physician bills for services through the OHIP billing system, so there is no remuneration directly from the home. The medical director of the home does receive remuneration for that role, which takes on additional duties than an attending physician.

M^{me} France Gélinas: Those are paid for by one of the envelopes that the Ministry of Health gives to you to fund the home?

Ms. Shelagh Nowlan: Correct.

M^{me} France Gélinas: Do you have any way to ensure that those physicians participate in continuing education, specifically to your area?

1030

Ms. Shelagh Nowlan: Again, in our home we are fortunate with our affiliation with Queen's University. We do have physicians, many of whom are part of an affiliation to the university. Continuing education is a component of what they have offered within our home, as well as through the university system.

M^{me} France Gélinas: Do you do performance appraisal of the physicians who provide services in your home?

Ms. Shelagh Nowlan: No, we do not. We do have a service agreement. If they are not meeting the expectations of the agreement, then our medical director and I work to resolve the issues that are being presented. They are required to show their proof of registration as part of that agreement, as well.

M^{me} France Gélinas: Moving on, do you have nurse practitioners?

Ms. Shelagh Nowlan: Not at Providence Manor.

M^{me} France Gélinas: You have them someplace else?

Ms. Shelagh Nowlan: Certainly, some other homes do have nurse practitioners involved in the role. At this point, at Providence Manor, we have not been able to have the position.

M^{me} France Gélinas: I take it you have a number of nurses. I don't know if you know the number. Do you have any problem recruiting nurses to your home?

Ms. Shelagh Nowlan: Yes. I think, again, it's not unique to Providence Manor. There are issues around recruitment of both registered nurses and registered practical nurses in the Kingston area.

M^{me} France Gélinas: What would you see as solutions for you to be more competitive in recruiting nurses and RPNs?

Ms. Shelagh Nowlan: Providence Manor is participating in one of the health human resources strategies that the ministry has funded to look at recruitment and retention of nurses. There are four projects that seven homes plus our association are working on for the next year, trying to identify what would make the biggest difference to recruitment of nurses to the long-term-care sector. There are lots of options available, and we're trying to look at what will make the biggest difference.

M^{me} France Gélinas: Aside from RNs and RPNs, do you have anybody else who dispenses medication? Do your PSWs do it?

Ms. Shelagh Nowlan: No, they do not.

M^{me} France Gélinas: Do you have anything in-house that works on developing an interdisciplinary team working relationship with the people who are involved with drugs—prescription management, dispensing?

Ms. Shelagh Nowlan: Yes, we do have a couple of committees. The pharmacy and therapeutics committee is an interdisciplinary team that meets within our home. As well, the professional advisory committee is an interdisciplinary team, where we bring practices and changes forward to those two committees. We are fortunate that we are one of the phase 5 adopters of the RAI long-term-care programs, which means we are just beginning down

that road. But what we're seeing is, that in itself will promote our interdisciplinary approach to care planning. It will improve our ability to get input from the front-line workers, the personal support workers, into the care planning. Medications would obviously be part of looking at the effect of those, as well.

M^{me} France Gélinas: We hear a lot in the long-term-care sector about the need for more hands-on care, more hours of care per home, average hours of care per resident etc. As legislators, when we look at the report from the auditor and the opening statement that Mr. Sapsford has done for us, we all want things to improve. I think the auditor's report shows that there is a bit of room for improvement. Some say there would be lots of room for improvement. Is there anything that we can do that would help you meet the requirements that the Auditor General has set out?

Ms. Shelagh Nowlan: Certainly, what we are trying to do is work with the changing complex-care needs of residents and look at the support within the registered staff. I would say that our main focus is the resident and the time we have to provide the care that each one of our staff is wanting to provide. So I think time with people—as the system looks at time with people—will make the differences we're all seeking.

M^{me} France Gélinas: As legislators, if we were to implement minimum average care, based on the case index, would that be helpful to you?

Ms. Shelagh Nowlan: It's a complex issue because it determines the right person and the right skill set, and how to create an average length-of-care time needs some looking at. But, yes, I think if we work together to look at the right mix of staff within a home, it would benefit the resident care.

M^{me} France Gélinas: Thank you.

Mrs. Liz Sandals: Perhaps that leads into the question that I was interested in. When I talk to my local long-term-care operators, what I hear is that a larger and larger proportion of the residents have dementia issues in one way or another. I'm from Guelph and the community mental health centre has been doing a lot of work with my long-term-cares in terms of working with the staff to give them better patient management strategies and better knowledge around how to manage residents with dementia issues.

I wonder if perhaps the deputy could comment on whether that's something we're seeing across the province, and, then, if the long-term-care operators could talk about how that's playing out for them locally and whether that has a positive influence on the amount of medications that are actually required, if you have other management strategies other than just medication.

Then, I wanted to follow up with another dementia issue, which is really the substitute decision-maker issue, which, again, is a dementia-related issue, if I may.

Mr. Ron Sapsford: Yes, aging brings dementia and as our population ages and we have more people in that category, yes, it becomes a growing problem. So it is a phenomenon across the province; it isn't an isolated

issue. It's an ongoing area of program development as to how to manage patients with varying levels of dementia and behavioural problems in long-term-care homes.

There are principles of treatment around minimum intervention. The whole issue of how one manages residents with these kinds of problems is an ongoing treatment and management issue. There are a variety of techniques, which my colleagues will be able to talk about.

Resorting to drugs is not the first intervention. There are many other ways that people can be managed without resorting to medication, although, at the end of the day, that is one of the options that physicians have, in terms of assisting. In the past, the ministry has made investments in education and training in a variety of locations, and I'm sure you'll hear some information about that.

Mr. David Cutler: I talk on behalf of Leisureworld St. George and our organization. I can tell you, at St. George we've had training for our staff on a program called U-First!—nine members have gone through that—and PIECES training. As an organization, we implemented behavioural management training and education and 241 employees at St. George have been through that. That's teaching them how to deal with and treat residents who exhibit these behaviours at different times. That is about how you handle them, how you may distract them, put in place processes to distract them, rather than going toward looking for medication. We try, as an organization, only to use medication, and call a physician for that when we need it, as a last resort, when it's extremely difficult or maybe dangerous to the safety of other residents. But we do use the other steps that I've indicated as our first priority.

1040

Ms. Shelagh Nowlan: Thank you. As well, at Providence Manor we have extensive training programs. We are also addressing some of the issues that are facing staff and residents with what is called the gentle persuasion approach, which is the behavioural management program that the psycho-geriatric resource consultants across the province are supporting in homes, and giving our staff the skills they need to work with individuals.

Certainly, medication is one option that is looked at, at the end of all the other approaches, and it's an interdisciplinary approach that is taken. So again, it's not one person looking and coming up with a solution. It's 24 hours a day, seven days a week the people who are working with the residents coming up with strategies that are helping the residents to live life to their fullest in the home.

We have also benefited from the U-First! training and the PIECES training that is funded through the province and many of our staff around the clock have taken those courses as well.

Mrs. Liz Sandals: Thank you. The auditor noted some difficulty, where there are issues of dementia, in getting substitute decision-makers to make timely contact. The deputy, in his remarks, spoke about homes actively seeking processes to obtain consent without getting unduly overregulated so that you actually end up

delaying treatment. I wonder, because that's an issue the committee may be interested in, if you, as operators, have any practical suggestions around approaches we might consider. How do you manage that problem? It's obviously a huge problem for you, not having your substitute decision-maker readily available, yet you've got a medical emergency. Could you give us any insight into practical ways that you might be able to handle that?

Ms. Shelagh Nowlan: I'll start. Certainly, we don't have all the answers. We are encouraged by the task force that is being brought together through the ministry to look at consent to treatment, because it is a complicated issue that has a shared responsibility—physicians, nurses and pharmacists all share a responsibility to seek informed consent. In our home, we certainly have opportunities to work with families at the annual review of a care plan; medications are reviewed at that time. We look at any high-risk medications very carefully and ensure that it's the right decision for the client.

It is a challenge in our communication age, where voice mail and e-mail are the main—when you're seeking consent and voice mail is there and you leave a message and then you are expecting to close the loop. We are working with the system to identify the problem that I think we have all identified in the system. I'm encouraged that the task force will come together and get the discussion going around the professions on how we can do this, because it is important to our residents and families.

Mrs. Liz Sandals: Do you wish to comment too?

Mr. David Cutler: As has been indicated, it is a difficult situation, but there are specific conditions under which it is acceptable to proceed without consent: obviously, in an emergency situation when no substitute is available. We also practise mandatory follow-up with the substitute decision-maker by inclusion of family conferences and highlighting the medications and trying to get their permission. But if something changes dramatically, obviously with the assistance of the physicians, the nurses and the pharmacy, our goal is not to let a resident suffer. We have the legislation that will allow us to use that in emergency circumstances, but normally on the everyday run-of-the-mill stuff, the consent that you originally get at the time of admission should stand you in good stead until the next meeting.

Mrs. Liz Sandals: Okay. If you could help us understand this, I think it would be helpful, and the deputy may wish to jump in. What I think I'm hearing you say is that there are already some regulatory structures in place where the substitute decision-makers can hand off some authority to their interdisciplinary team at the nursing home. Certainly in emergency situations you've got the authority to make the decision and then come back and inform the substitute decision-maker. The fact that you don't always have that signed off in advance doesn't mean that you're breaking the rules; it may mean that you're following the rules that are already there. Am I hearing you properly?

Mr. Ron Sapsford: Yes, you are. When one is in a care milieu, applying an absolute rule to every condition and every resident in all circumstances is impossible to achieve, and I think the area of consent is one example. We assume that all residents are able to understand; they're not. We assume that all families are very attentive and immediately available and in the home at reasonable times; they're not. Some residents are alone, and we have to refer to substitute decision-making processes, but even there sometimes the substitute decision-maker is in Vancouver. You leave the voicemail and nothing happens, nothing happens, but this resident has acute respiratory distress. Are you going to get a consent to administer perhaps an antibiotic, which is going to immediately improve the physical condition? If I were in that case, I'd say no. Have I violated the letter of—well, I didn't have a signed or—maybe. Have I violated the spirit of what getting consent is about? I would argue not. So consent is applied to the level of the risk of proceeding with the administration. If it's aspirin, it's quite different than if it's a very high-level heart treatment.

Consent is not, in my view, absolute. It requires an evaluation of how you apply the rules to the circumstance that you're in, and that's again where we rely on our professionals to use their best judgment, because this is about making sure that the health and safety of the resident is the prime importance. I would argue that that's even more important than the documentation of the fulfillment of a rule.

I think that's the spirit at least that we're using as a ministry. Let us try to focus now on what the key elements of it are and make sure that as the system responds, it's responding in the interest of the resident and their health and well-being and then fit the documentation in as we go along. As long as the basic principles are what are guiding people, it can be handled in most cases.

But I know homes, on admission, establishing the wishes of family and substitute decision-makers based on mother's or father's condition—at what level do you want us to intervene? How do you want us to respond when someone is at the end of their life and not likely to get better? There has to be an active discussion. And those discussions do take place and the homes pay attention to it. Part of that consideration is how it applies to medication: How do you want us to respond? Those discussions are taking place, by and large. I think it's in the exceptional circumstances where we need a separate consent, and then we have to go through that process.

1050

Mrs. Liz Sandals: Okay, thank you very much. That's very helpful.

The Chair (Mr. Norman W. Sterling): Is the task force dealing with the consent issue?

Mr. Ron Sapsford: Yes. It gets into questions that I think the auditor referred to—issues around standing orders—and asked for a review of the ministry. So the consent issue touches on issues of standing orders because the standing order says, "If this happens, give the

medication." There's an implied consent question there, so if they get a respiratory infection, you apply an antibiotic. Standing orders don't go into that, but there needs to be some discussion and redefinition about consent and its application to some of the routine procedures that go on in homes.

The Chair (Mr. Norman W. Sterling): There are a few Liberal members, but we're in the rotation, so I'm going to go to Mr. Hardeman.

Mr. Ernie Hardeman: If I could go back to your presentation, Deputy, and the common assessment tool. I just need a little understanding of what the common assessment tool is, and secondly, why it would take until 2010-11 to get everyone to use it. If 217 homes are already using it, how come it takes so long to implement that in the other homes?

Mr. Ron Sapsford: I think I'll ask Tim Burns to respond to that question.

Mr. Tim Burns: If I'm allowed to suggest a follow-up, I think the homes in the process of implementing it could probably add quite a bit to what I'm about to say.

I think the common assessment instrument is very valuable to the system, first and foremost because it's a series of questions and items which have been proven through research to be very important to the course of care for our residents: the critical questions for the team to ask to put together the plan of care for the resident. It's extremely important both for what it does to bring the team together to document what's in the best interests of the resident, to get that plan of care, and then from the data that's derived in the follow-up in delivering the plan of care, you get the rest of the measurements that we're seeking in a performance and quality improvement light. So it gets the right teamwork, the right questions asked, the right plan together and then the right measures coming off as the thing matures into full use.

As to your question with respect to why it's taking so long, I think the homes could help answer this question. But it has to be recognized that for a home that may have had a variety of different processes, may not have been computerized, may not have had the disciplines in place for whatever reason to bring the care team together, it's a profound change in how they do their business. It is not something that you can come in over the weekend and do a swap over. We're learning to get it in place, learning how to assess, getting the data correct, getting the supporting processes, the software and everything correct. It can be anywhere from 12 to 15 months to really get up to full and complete proficiency in everything that the tool has to offer.

I think the answer to that question, in short, is that it is such a profound improvement in those fundamental processes that it takes that long for an individual home to go through, and then we have a project at the ministry that works with homes to train everybody and help them understand the data and so forth. They have a certain capacity constraint there, so we think we can do about 70 homes per quarter at full speed. If you take 600 homes and how far we are today, that suggests the time scale.

Mr. Ernie Hardeman: So the time delay is more from the ministry being able to move through it and help people—

Mr. Tim Burns: It's both—

Mr. Ernie Hardeman: —rather than the homes' hold-up?

Mr. Tim Burns: The answer to that question is we're getting a very good response from the system in terms of homes putting themselves forward. Each time we open the front desk and say, "Who wants to start," we're over-subscribed, and we can do about 70 well. We want to do intakes at a rate that we can do well, and that's about our rate. I would ask the homes to comment, if that's within my purview. I think homes need the time to go through. We don't want to rush people through it because we want it to be about the residents and the care plans.

Mr. Ernie Hardeman: Before we let the homes answer, the reason for the question is, if it's the wave of the future, if it's the most effective way to deal with patient care in the system, it would seem to me that every home would be anxious to get on with doing it the best way possible. So the question really is, are we waiting on the ministry or are we waiting on homes to buy in?

Mr. Tim Burns: We started this initiative at scale, I guess it's going back about two years. If you want to look at the history of the program, there was an early adopter phase, where we were doing 10 homes at a time. We have to learn how to work with homes to do it. Seventy homes a quarter would be 240 homes a year, and in our first year we did 20 homes. So we're actually coming up a learning curve of our own, and there are some changes on the ministry side that we have to get through.

In short, I guess there are some capacity constraints, but our capacity to support homes is coming up quite quickly.

Mr. Ron Sapsford: I just wanted to add two points to Tim's comments. One is the focus in the home for standardizing the assessment of residents and developing care plans. On the other end, this information is available to the ministry in a consolidated form, where we can begin to take the care requirements across the whole system and apply that to costing methodologies, which will help the ministry in terms of the resource requirements needed to support the levels of care in homes in a more consistent and more measurable way than we've been able to do in the past. So there are two points to this: first, to help homes in terms of determining what care is required; and secondly, to give the ministry consistent information on resource requirements into the future.

Mr. Ernie Hardeman: Could we get an answer from the homes? Are you waiting for it to happen, or do both of the homes already have it?

Mr. David Cutler: I can talk for Leisureworld. We own and operate 26 homes in the province at the moment, and I believe, if I can just check, up to 20 of our homes are on the system already. Now, it is a complicated process in that extensive training of staff is

required. We've had to add resources. The ministry has provided additional resources and training. The particular home that was audited is not on the system yet, but that is a function of application and selection. It will happen. The ministry is systematically selecting homes and it is a much better system of assessment. It's complicated because the nurses have to learn and understand it. So to do the initial admission assessment, when they first do it, it's taking them upwards of two hours per resident. As they become more familiar with the tool, because it looks at so many different aspects of the care levels, they are managing to get that down to about an hour and a half. So it is a learning tool, but it provides much better outcomes and much better information to assist the needs of the residents.

Ms. Shelagh Nowlan: Perhaps, if I could add, as I had mentioned, we are just embarking on this. It started in February. We're very encouraged. It is a huge change, and if you follow change, especially in a home of our size, the personal support workers also have to change every way that they are doing or documenting or reporting things. So it's a huge change that requires the staff to understand what difference it's going to make in the quality of life of the residents in order to keep it sustained. It is so important that we get accurate information so that residents' care-planning reflects the person—who they are. In the past, we had documentation after documentation; we had all sorts of information that we weren't able to pull together in a way that people could use to provide the care. I'm optimistic that this is going to provide the information to the people who are providing the care in a way that they can use it. It is also focusing on what's of value to the resident, which is their activities of daily living and promoting independence. Rather than looking at what we do for a resident, it's focusing more on what we do with a resident, so that they get the time again—I know I used the word—to have an opportunity to live a life of quality. So we're encouraged by it, but it is very labour-intensive.

1100

Mr. Ernie Hardeman: The other question was the issue of the 18,000 level 1 alerts that were overridden. The auditor mentioned that. Deputy, I get from what you said in your presentation that, based on some percentage of all the prescriptions, it's not a big deal. Is that what it says? And if it is a big deal, what are we doing to fix it?

Mr. Ron Sapsford: Simply to put some perspective around the number itself, that a drug is on a list that one needs to be cautious about does not obviate the need to prescribe and dispense the drug. This is what the flags are about. When a prescription is written for that, the flag goes up in the system so that the professionals can provide additional scrutiny and remember, "Oh, yes, this is one of those drugs. Having said that, are we still going to give this resident the drug?" When the answer is yes, they're still going to prescribe and administer the drug, the flag is overridden. So if a physician makes the decision that, yes, this resident is going to have this drug on an ongoing basis, each time the pharmacist dispenses the

drug, which could be once a week or once a month, another flag goes up in the system. It doesn't change the fact that the drug will be dispensed, but it does mean the number of overrides goes up because it's constantly being overridden. It's that perspective that I wanted to explain.

Mr. Ernie Hardeman: I'm right, then. I don't need to be worried about that.

Mr. Ron Sapsford: Well, I think it's an indicator. It's an appropriate flag. Clinicians do need to be cautious around the use of certain drugs. I don't dispute any of that. But you should take some comfort that these flags are in the system and that they do go off, and as they go off, people apply their minds to whether they're going to continue to dispense or not. That's the purpose of them. These, in a sense, are audit flags.

M^{me} France Gélinas: Right now, Mr. Sapsford, we've asked for reports that come from mandatory reporting from long-term-care homes to the Ministry of Health. When we get those reports, there's often a line that says, "We had 85% compliance." It's never 100%. Is the new system we're putting in place going to give us 100% compliance of all of the homes?

Mr. Ron Sapsford: For the critical incident piece?

M^{me} France Gélinas: No, for the new R—whatever we're rolling out.

Mr. Ron Sapsford: For the assessment tool—RAI. Maybe Mr. Burns could follow up.

Mr. Tim Burns: There could be a few answers to that.

One of the issues is that when we report, we may have a higher compliance rate than the data we put forward. On mandatory reporting, to the best of my knowledge, we have very high compliance rates because it is taken seriously. What you may have seen is that there are data tests done on it, so that in a global report that we might put forward, in the interests of accuracy and in having a report be representative, some data points may have been selected out for data quality reasons, and therefore we report the numbers based on 85% of the total sample. That's one explanation.

The other one is on some of the stuff with respect to common assessment. One of the key things that's both intriguing and really a challenge about this system is it's designed to have the care teams ask the question in a way in which two different professionals would get the same answer back. It's called inter-rater reliability. We try to get homes above 90% inter-rater reliability on that data before we—it covers the threshold of usability. It's one of the reasons it takes so long to get homes up. That could be another answer to your question, not knowing exactly what you're referring to.

M^{me} France Gélinas: Good enough. You cleared up my worries.

I guess I'd like to ask my question of Mr. Cutler. If you have a good memory, it's about the same line of questioning I did with your colleague. Let's start with the pharmacy that you deal with. Does your home deal with a single pharmacy?

Mr. David Cutler: This particular home does deal with a single pharmacy.

M^{me} France Gélinas: That's St. George?

Mr. David Cutler: At St. George; yes.

M^{me} France Gélinas: Have you been with this pharmacy for a long time?

Mr. David Cutler: We did change about four years ago.

M^{me} France Gélinas: The reason for the change?

Mr. David Cutler: The reason for the change was that we were not happy with the services provided by the prior pharmacy.

M^{me} France Gélinas: Do you issue RFPs to select a new pharmacy? How does that go?

Mr. David Cutler: Yes, we do. We would have sent out an RFP saying, "These are the services and these are the standards"—of course, we would follow as well the ministry standards that come out of their manuals of what we have to achieve—and then set up a committee, had presentations and selected a provider. In fact, because we did it across the chain, we selected several providers so as not to put all our eggs in one basket.

M^{me} France Gélinas: Certainly the auditor reported on the price of the dispensing fees from the pharmacy. Was this something that was taken into account in your RFP?

Mr. David Cutler: We have nothing to do with the dispensing fees. We have no role in that at all.

M^{me} France Gélinas: So when you did your selection, you did not take this criterion into account?

Mr. David Cutler: From my information, I did not take that into account. But I believe that they are prescribed in defined rates by regulation that have nothing to do with long-term care.

M^{me} France Gélinas: So you've had the same pharmacy. Do you have the same arrangement where the same pharmacist comes to your home to review?

Mr. David Cutler: Yes, they do have an appointed pharmacist who will come in and do auditing, education and training and attend committees. So we have the very same arrangements.

M^{me} France Gélinas: Do they come regularly?

Mr. David Cutler: Yes, monthly.

M^{me} France Gélinas: They come once a month?

Mr. David Cutler: Not once a month; several times a month they come.

M^{me} France Gélinas: Do you do any kind of performance appraisal of the pharmacy services you get?

Mr. David Cutler: What we do is, we rely on our staff. When a pharmacy delivers the medication, it's up to the registered nurses to make sure it matches with what the doctors have prescribed and ordered and to bring to our attention if there are any errors that have come in. We do that. We also review their education, training and attendances and the services they provide. And yes, we do meet and discuss it with them if there are issues.

M^{me} France Gélinas: So, four years ago, when you were not happy with the pharmacy, is this how it unfolded: the nurses came to management and told them?

Mr. David Cutler: That is correct, and I personally had several meetings with the pharmacy, told them what they had to fix and gave them a 30-day time frame. It didn't work out, so I went and RFP'd for a new pharmacist.

M^{me} France Gélinas: Going to physicians that assist your home, how many physicians work in your home?

Mr. David Cutler: In St. George three, and they are there seven days a week.

M^{me} France Gélinas: They provide 24/7?

Mr. David Cutler: Yes, 24/7.

M^{me} France Gélinas: Of the three?

Mr. David Cutler: They take turns. There's a rotation.

M^{me} France Gélinas: That's a heavy call, is it not, one week out of three?

Mr. David Cutler: No. It's different days of the week. They rotate among themselves. They decide, "I'm going to do Monday, Tuesday, Wednesday, Thursday," whatever they choose, but we have coverage. We also have emergency coverage. If we can't get hold of one, we have the pagers for the others, and they will respond.

M^{me} France Gélinas: Do you do performance appraisals or performance appreciation of the physicians who work in your home?

Mr. David Cutler: Obviously, we do have discussions with them if issues come up, and we raise these with them. I'm pleased to say that we have very good physicians in this home.

M^{me} France Gélinas: Did you have any difficulty recruiting physicians to work in your home?

1110

Mr. David Cutler: No, we did not. We've had some of these physicians working with us for a long time.

M^{me} France Gélinas: Do you ask for a copy of their continuing education so that they stay up to date?

Mr. David Cutler: The home does that. They check their registration and they also provide information on the continuing education and advise us of the conferences or education sessions that they are attending.

M^{me} France Gélinas: But do you know which physician attended which continuing education?

Mr. David Cutler: Yes, the home would know that.

M^{me} France Gélinas: The home would know that. Okay. Do you have a nurse practitioner in your home?

Mr. David Cutler: Unfortunately, no.

M^{me} France Gélinas: But you have nurses and RPNs?

Mr. David Cutler: We have nurses and RPNs.

M^{me} France Gélinas: Just give me an idea how recruitment is going in your home.

Mr. David Cutler: We do have sufficient coverage. It is a stretch at times. It's a universal problem, I believe, across the country. But we are able to cope with what we have, not without its difficulties.

M^{me} France Gélinas: Do you offer continuing education to the nursing staff?

Mr. David Cutler: Oh, absolutely. It's mandatory. I highlighted to you that not only our nurses but our PSWs—241 have been through this behaviour management training. That's a Leisureworld initiative itself. So we do that on an ongoing basis. We'll even pay for them to attend education sessions.

M^{me} France Gélinas: Do you do performance appraisals or performance appreciation of your nursing staff?

Mr. David Cutler: Every employee in Leisureworld will not get a pay increase unless they have a written performance appraisal. So I rely on my HR to report to us. We have that system in place.

M^{me} France Gélinas: That's an incentive.

Mr. David Cutler: We do have a staff appreciation as well.

M^{me} France Gélinas: Again, my question: We are legislators. We realize that there are some needs for improvement. Is there anything specific that comes to you that would help you if we move forward on different pieces of legislation?

Mr. David Cutler: I think that continuing education and upgrading of skills is very necessary. I think that if there were a way to entice more people to go into nursing, that would be great. If there were a methodology to do this, that would be really worthwhile.

One just has to look at the numbers of people who are aging and what's going to happen. In 2025, over 25% of Ontario's population will be over the age of 65. So we need to provide for the future.

M^{me} France Gélinas: In your community, is your home competitive toward recruiting nursing staff, if you compare with other people that have nursing? I'm thinking health units, hospitals, community health centres etc. Are you able to be competitive in the recruitment or do you feel you have a harder time recruiting than other sectors do?

Mr. David Cutler: Different people—I think you need a different mindset to work in long-term care than if you want to be an emergency room nurse, for example. It's a question of profiling long-term care and the benefits. It is an exciting sector to be in. In some respects, yes, it's more difficult. But I believe that every sector will have its own unique challenges. It's really making your sector appealing to the nurses so they want to join. It's tough all around.

M^{me} France Gélinas: I take it that PSWs don't dispense drugs in your home, or do they?

Mr. David Cutler: No, not at all.

M^{me} France Gélinas: So it's the RN and the RPN.

Mr. David Cutler: That's correct.

M^{me} France Gélinas: When I talked to your colleague about mandatory or average—based on the case mix index of hours of hands-on care—would that be something that would help with the challenges that the auditor has highlighted?

Mr. David Cutler: Can I understand your question better? Can I frame it?

M^{me} France Gélinas: Sure.

Mr. David Cutler: Is your question that an average minimum number of hours of care is what should be mandated?

M^{me} France Gélinas: As one idea.

Mr. David Cutler: Obviously, homes could always have more care, and the government has addressed that in this last budget, and that is going to be rolled out. But I think to prescribe that everybody is provided with X number of hours of care per day is not the right methodology to adopt.

M^{me} France Gélinas: I wasn't thinking per person; I was talking about more of an average. I know that 3.5 hours of hands-on care is something that has been talked about by your association. They came and lobbied us, anyway.

Mr. David Cutler: No, I think what we've talked about is the tool that measures the level of care that is needed and whether that can be improved. But to prescribe an average for everybody is really just painting everyone with the same brush. I don't think a standard average is the way to go; I think it's individualized need.

M^{me} France Gélinas: So how would you see this linked to the case mix index?

Mr. David Cutler: It's absolutely linked to the case mix index. The case mix index looks at the charting, looks at the needs of the resident. Especially out of the new MDS-RAI, you will be able to more clearly define the needs and the resources required to care for these residents, and from that you determine the total number of hours, based on your resident population in a particular home. Some homes may need four and others may need two. So, to give the one that needs two 3.5 hours of care is not applying the resources in the right place at the right time.

M^{me} France Gélinas: So you would like it to be based on the case mix index at the home?

Mr. David Cutler: Yes.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Sapsford, coming out of the line of questioning earlier, are there regulations around the contract between the long-term-care home and the pharmacy? For instance, can the pharmacy pay the long-term-care home money in order to obtain that contract, and are there conflict-of-interest bars between the pharmacy and the long-term-care home?

Mr. Ron Sapsford: I don't believe there's a regulatory framework around that. The payment of the pharmacist's services is through billings to ODB, by and large. So the dispensing fees, I think as someone else mentioned, are part of the agreement between the ministry and the pharmacist on the payment.

As to the services that go into that contract, I think they vary home by home. To some extent, I think there's a negotiation over what services a pharmacist would supply to a specific home. But there's not a specific regulatory framework around that issue. Perhaps Mr. Burns can add to that.

Mr. Tim Burns: I can't say anything specifically with respect to the pharmacy contract. I just wanted to assure you that within the service agreement and the manual, there are general provisions for conflict of interest following typical public practice, because you want the resources in the system to work for the benefit of residents. So there's a general provision. How specifically that applies to the pharmacy contract, I can't answer right now. But be assured there's a general provision on conflict of interest.

The Chair (Mr. Norman W. Sterling): So we don't know, because the Ministry of Health is not privy to these contracts. They would be private arrangements. Are they—

Mr. Tim Burns: They are examined. There are standards in the manual, and that's what the compliance advisors rely on when they do their annual inspections. So in the course of the annual inspection, an examination is done of the contract to make sure that it meets the requirements, in terms of evaluation and reconciliation, and the standards of practice that you would hope of pharmacists.

With respect to the economics of the transaction, I don't think we look at that routinely. I don't know if one of the homes wants to talk about how the safeguards would be in place on the economics of the contract with their pharmacist. But we do look at the contract to make sure that it meets the requirements specified in the manual.

1120

The Chair (Mr. Norman W. Sterling): So there can be money paid by the pharmacy to the long-term-care home, in order to obtain the contract?

Mr. David Cutler: I don't believe that is the case. What the pharmacist will provide in return for the contract is the additional education, the in-services, the training, and those types of services which obviously would come out of their profitability because they would have to hire educators, send in pharmacists, and do that kind of thing. Their remuneration comes out of their arrangement with the ODB or whatever their regulatory body is that defines the fees on dispensing.

The Chair (Mr. Norman W. Sterling): Ms. Broten.

Ms. Laurel C. Broten: Maybe I'll pick up somewhere where the Chair was talking with respect to the pharmacists. I want to focus on the work that's being done right now to support pharmacists in having a closer relationship and a more integrated role, maybe, with respect to long-term-care homes. I know mention was made in your deputy's comments with respect to this somewhat paralleling a MedsCheck program.

I wanted to just ask about that relationship between pharmacists and long-term-care homes and whether, within the examination of that issue, they would be looking to a differentiation between internal and external providers of pharmacy support, and whether, within the long-term-care-home community, there would be long-term-care homes that would have a pharmacist in-house?

Mr. Ron Sapsford: I wouldn't be aware of any, no. The traditional or the typical arrangement is that the services are provided by local independent pharmacies, generally located in the community. There are some pharmacy companies, though, that provide exclusive service, or a large part of their business, to multiple nursing homes and have become expert, perhaps, to really focus on the needs of long-term-care homes. But, actually having an in-house pharmacist—I'm not aware of a home that would have that service.

Ms. Laurel C. Broten: So, as the task force looks at the model, what type of analysis are they going to be undertaking, or directed to undertake, with respect to reviewing the reimbursement structure and the dispensing services?

Mr. Ron Sapsford: Well, the ministry is going to be undertaking that—the economic review. As we've done in the general population, the MedsCheck program is where there's a specific fee paid for the clinical consultation services of a pharmacist. So, through a half-hour interview, where citizens have drug profiles with more than three medications, I think it is, they can sit down with a pharmacist and review their history, their use of the drug, the indications, contraindications, and answer questions that the patient may have.

It's that particular model that we're looking at including as part of the service contract in the long-term-care homes, so that there would be a more comprehensive clinical service available to residents of long-term-care homes. So, that's the piece of it that we're looking at to see if there's a similar application for the long-term-care population.

Ms. Laurel C. Broten: Any comment in that respect from the long-term-care home experts to indicate whether that is something that would be of assistance, as something that you look to down the road?

Mr. David Cutler: I'm certain that any assistance that we can get in that regard will heighten areas of concern, raise issues a lot sooner and give us better information to work with through our professional staff.

Ms. Shelagh Nowlan: Also, if I could add as well, I think our residents and families would greatly appreciate an opportunity to review medications in a way that gives them the chance to ask the questions of the experts around medications. So I think it could be a real additional benefit to residents and families.

Ms. Laurel C. Broten: Great. Thanks.

With respect to expired medications, the auditor spoke about perhaps a need to tackle that issue head-on and approach it in a somewhat different way. I wanted to ask two questions in that regard. As we develop the regulations on the Long-Term Care Home Act, is that something that you think will be examined in the context of long-term-care homes and pharmacy providers? Even before that's done, what kind of work is currently being done between pharmacists and residents? The pharmacy association, for example, has an ad campaign with respect to the return of expired medication for disposal. I'm just wondering if you can comment with respect to the

highlighting of this issue and what steps are in the course of being taken to improve the disposal.

Ms. Shelagh Nowlan: There are steps in place in our home to regularly review medications. Our home is a large home, and we have an area away from the resident home area where the medications are kept that are not currently in use. So there's a double screening that goes on to make sure, if some of those medications end up going past due, that we have a way to clear that area for the larger drugs.

Our pharmacist is doing a regular review of medications with our nurses, and we have systems in place to check the date of expiry of all medications as part of the check that nurses are expected to do before giving medications.

There are always opportunities for improvement when you're dealing with large volumes of medication. There are always opportunities to look at improving processes to get medications that aren't being used anymore, whether they're in your own home or whether they're in a long-term-care home, disposed of properly in an environmentally friendly manner.

Ms. Laurel C. Broten: And what is your current practice with respect to disposal?

Ms. Shelagh Nowlan: We have a contract with a biohazard removal company that comes in weekly and disposes of all our medications.

Ms. Laurel C. Broten: Is there any different approach in terms of the way this business is conducted at Leisureworld?

Mr. David Cutler: It is not dissimilar. What happens at Leisureworld is that excess drugs from the floors are sent down to the director of care. The pharmacist reconciles them on drug forms against the actual drugs received and renders them unusable. The drugs are then placed in a box and taped shut, and a biohazard company comes and collects it, labels the box, barcodes it, scans it and removes it from the premises.

Ms. Laurel C. Broten: Thank you. Those are all my questions. I think Mr. McNeely might have some questions.

The Chair (Mr. Norman W. Sterling): Could I just ask: What would the average cost of a contract be for the disposal service of these drugs? I was interested, before you came into the room, in hearing from the auditor that other provinces capture these drugs and share them with Third World countries, where they might use some of them. What is the rough cost? Do you have any idea?

Interjection.

Mr. David Cutler: I have my administrator here, and he said to me that the pharmacy pays for that. So I have no idea.

The Chair (Mr. Norman W. Sterling): Okay. Thank you, Mr. McNeely?

Mr. Phil McNeely: I want to congratulate you on getting that new tool in to measure—what is it called?—the assessment tool, so that you'd be able to compare apples to apples across the province.

There was something in the report that you presented this morning: 19 million prescriptions a year for 75,000 patients comes out to about five per week per patient. What is a prescription in the long-term-care homes? Why would we be up to five prescriptions per resident per week? That seems like a lot.

1130

Mr. Ron Sapsford: That's the way the numbers work, I suppose. As I've said, a lot of residents in long-term-care homes have a number of physical issues that are dealt with through medication. Don't forget, these prescriptions can be anything from aspirin to sophisticated drugs. They could be drugs that are routine—in other words, four times a day every day—to prescriptions that are as needed. So it's not something that's given every day, but as the patient exhibits a certain symptom or a certain condition, then the drug is administered. The system counts all of these, all 19 million of them. It doesn't mean, and one shouldn't interpret, that every resident's getting a minimum of five drugs every day, because that's not what the number is about.

I think the issue of how many prescriptions are given to residents is an issue that's on the table. As I mentioned in my remarks, the clinical institute has been doing some work on medications in long-term-care homes, and their evidence is that there is a downward trend. Is there more room for improvement? Probably, but that comes from an engagement of discussion with physicians, who are responsible for writing them in the first place, and making sure that the physicians who spend time in long-term-care homes are looking at things like best practice.

The task force I referred to is to begin to address those issues as well. We've been in discussion with the College of Physicians and Surgeons of Ontario, and they're willing to engage in that dialogue to assist in making sure that physicians who practise in this area are aware of best practice and that medication management is a major part of their responsibilities for long-term-care-home residents.

Mr. Phil McNeely: Thank you. That's all, Chair.

Mrs. Laura Albanese: I wanted to ask about long-term-care homes. The auditor noted that some of the medication was expired, especially in emergency room supply. How do you know you're not giving any expired medication to residents? How do you make sure of that?

Ms. Shelagh Nowlan: That is one of the checks that the nurse does before giving medication. The expiry date is noted. We also now have an audit monthly of our emergency-stock drugs by our pharmacist, who removes anything that will be expired within the month. The stock is being regularly audited to ensure that the stock is current, but a nurse, as part of her five-hour checks that are done around medication administration, looks for an expiry date on medications.

Mrs. Laura Albanese: Is that the same procedure that is implemented at Leisureworld?

Mr. David Cutler: Yes, it is.

Mrs. Laura Albanese: Is this as a consequence of the auditor's report? Because he did find some expired medication in some departments.

Mr. David Cutler: The auditor's report has highlighted things for us that we've rolled out across all of our homes to make sure that it's not happening. I can't tell you where it was, but we're using that to our advantage and as a learning tool to make sure these things don't occur.

Mrs. Laura Albanese: I also had some questions regarding the orders from the government supply depot, the ones that are free. How do you know how much to order?

Mr. David Cutler: As you heard today, the process has changed. The process is that the order is made and it's delivered to the pharmacy, which then packages it and sends it out to us. They will keep an inventory, so they will be the gatekeeper now.

Mrs. Laura Albanese: So they're the gatekeeper, and not the long-term-care home anymore.

Mr. Ron Sapsford: On that point, it links to the wastage question as well, and expiry. The process has changed so that we don't ship in bulk to the home but now use the pharmacy as the vehicle so that we're not dispensing large lots from the government pharmacy. That should help manage the expiry and reduce the amount of wastage. We've tried to deal with it from that perspective.

Mrs. Laura Albanese: Thank you very much.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas.

M^{me} France Gélinas: Coming back to high-risk drugs, those are drugs that are generally more harmful than beneficial to older adults. It's troubling me to read that these drugs were dispensed to at least 20% of residents in 30 homes.

I'll start with you, Mr. Cutler. When do those discussions take place in your home? How do they take place when you're about to give a drug that is more harmful than beneficial to a resident?

Mrs. Liz Sandals: Point of order, Mr. Chair: I'm not clear that it was in these homes that you found that, so I'm not sure whether it's—

Interjection.

M^{me} France Gélinas: Forget about the 20%. Where would those types of conversations take place?

Mr. David Cutler: Understand that we are dealing with professionals, consisting of the physicians, the registered nurses and the pharmacy. The doctor is the person who makes the diagnosis and says, "This is how we're going to treat." If it's flagged as a high risk, there would be a discussion. The pharmacist would call the doctor directly; if they couldn't get the doctor, they would call the home and speak to the registered nurse, who would make sure that they got hold of the physician first to verify the order. So it would be at that point that that would take place.

M^{me} France Gélinas: There are no interdisciplinary meetings where those people are there live on location to have those discussions?

Mr. David Cutler: If it coincides with a conference, absolutely, they would be, but if a doctor was called in today to deal with something and prescribed the medication, the pharmacist would get the order this afternoon, and he may try to call the doctor this afternoon or tonight and not get him, call the home, and we would follow up. There would be a few hours' delay, but there would absolutely be—it's an interdisciplinary discussion between the physician; the nurse; the resident, if they're able, or the substitute decision-maker; and then you would get approval to proceed or not.

The Chair (Mr. Norman W. Sterling): On a point of clarification: You're talking about the drug alert, and I think the member is talking about these drugs that are on the Beers criteria, that are high-risk. Are we on two different issues here?

M^{me} France Gélinas: No, I'm happy with his response. The same logic would apply. Shelagh?

Ms. Shelagh Nowlan: Yes, I think the interaction between the physician who's prescribing the drug and the pharmacist who is dispensing the drug is critical. In family practice, a community-based physician and a pharmacist discuss if there are issues. The same practice takes place at Providence Manor, so there would be a connection if there was a question around the appropriateness of a prescription. There would be clarification between a pharmacist and a physician.

The Chair (Mr. Norman W. Sterling): Mrs. Sandals.

Mrs. Liz Sandals: Yes, just a clarification. It would seem to be that on both of these topics, if you've got a drug that is being frequently prescribed for an elderly patient when it's contraindicated or you've got a high number of drug interactions, that's really for the pharmacist and the doctor. You may be reporting that there's a problem with the reaction to the drug; your nurses would do that. But the original prescribing overriding appropriateness of the prescription—that's back to the pharmacist and the doctor, surely.

Mr. Jim McCarter: That would be my understanding, that the issue with the prescription of, say, one of the higher-risk drugs that is on the Beers criteria—that's really the doctor's decision to prescribe that drug. Once it's prescribed, the pharmacist would fill the prescription. That wouldn't generate a contraindication drug alert; it would just be prescribed. It would come to the home; it would be in the strip package.

1140

The point we were making—and we understand that these high-risk drugs, on occasion, would be prescribed. The doctor would make that decision. I'm aware that I'm still going to prescribe it, but based on the data in the system, we found that a very high percentage of the residents—20%, in certain homes—were being prescribed a high-risk drug. The point we were making is that we just thought that was a very high percentage. Maybe that was information that either the college of pharmacists or in this case the College of Physicians and Surgeons should be aware of, just more along the lines of education, to get back to the doctor and say, "Dr. Jones,

we just want to make you aware that this is a high-risk drug on the Beers criteria. Are you sure that it should be prescribed to 20% of the residents?" That's the issue that we were making.

Mr. Ron Sapsford: I would agree with that assessment. Are you talking at the level of an individual patient versus the whole system?

M^{me} France Gélinas: I was going to take it to the system after I had their answer.

Mr. Ron Sapsford: I think you've heard that, for an individual resident, it's a discussion. For the system: Some of the systems that we've talked about, the assessment tool, the discussion with the task force around best practice in medication management—these are some of the broader questions that we intend to table so that the profession itself is seized with the issue of drug and medication management.

The information that will come out of the ICES review, the discussion in the task force around best practices, would be the tables where we would intend to raise these sorts of issues. Are there better ways, as the auditor suggested, to manage with this high-risk group of medications? Sometimes it's an issue of, "Is there a better drug, or is there a less risky drug that could accomplish the same clinical outcome?" So it's a series of questions around the use of the drugs, as opposed to, "You shouldn't ever use these drugs," to make sure that those kinds of "use" questions are being asked.

M^{me} France Gélinas: Is the ministry in a position to share that information from the auditor's report directly with the College of Physicians and Surgeons, which is the body that physicians are accountable to?

Mr. Ron Sapsford: Yes.

M^{me} France Gélinas: How does that work?

Mr. Ron Sapsford: If we have a systemic issue or that kind of information, we would call them in, sit down and talk about how they would respond to that kind of issue, and take their advice on it. We don't get involved with individual physicians. That would simply be referred to them for their own purposes.

M^{me} France Gélinas: So has this phone call and this meeting taken place for the high-risk drugs that the auditor's report brought forward to our attention?

Mr. Ron Sapsford: No. We've dealt with it in terms of, "We need to get together and talk about the whole report and the issues that affect the profession and deal with them in a comprehensive way," this being one of them.

M^{me} France Gélinas: So it will get done.

Mr. Ron Sapsford: Yes.

M^{me} France Gélinas: My next one is that we've learned, through this new tool that is being rolled out, that there will be more of a focus on interdisciplinary practice. In the homes that I know best—the ones in Sudbury—they often mention the fact that the physician being fee-for-service is not conducive for him or her to take part in interdisciplinary practice team meetings, those types of activities, because you can't bill fee-for-

service for interdisciplinary practice meetings. How are you handling that part of it? I'll start with Shelagh.

Ms. Shelagh Nowlan: I'm not actually sure how we're handling that. I can certainly get you the information. We don't have a problem with physicians attending interdisciplinary conferences. We schedule them to their schedule, which may add complexity for a family member to attend. So that's one of the ways we've dealt with it. But there's certainly a fee structure for long-term care attending physicians that enables them to bill for their services at a certain number of visits a month to our home. So I would expect that that's how we are dealing with it at Providence Manor.

M^{me} France Gélinas: How about Leisureworld?

Mr. David Cutler: In a very similar manner; it's spelled out right in the beginning, when they sign their contract, that there's an expectation. So it's a contractual commitment.

M^{me} France Gélinas: Moving to you, Mr. Sapsford, with the introduction of family health teams and more physicians being interested in that type of practice, I take it that there would be provisions for family physicians who are interested in practising in family health teams to also attend at nursing homes. How are the fees—they're not fees anymore; whatever they are—being looked into to facilitate interdisciplinary activities?

Mr. Ron Sapsford: Some family health teams have, in fact, expressed an interest in offering that as part of their comprehensive service. So that would be put forward as part of their proposal to the ministry, and then we would negotiate the agreement with that particular family health team. So that would be one opportunity.

As far as the rules governing physician attendance in long-term-care homes, that's a subject for discussion between the Ontario Medical Association and the ministry when we do our contract negotiations. Physicians who spend a fair amount of time in long-term-care homes are organized as a group and provide that advice to the OMA, so often we're negotiating that as part of the physician agreement in the province.

M^{me} France Gélinas: Both of the homes have talked about the importance of education and upgrading for their staff. How are the homes being reimbursed, or are they being reimbursed by the ministry for those types of activities that are not necessarily patient-care-related, but they've both identified as something important to the health of their clients?

Mr. Ron Sapsford: There's an expectation in the remuneration for the homes in the current costing model that continuing education for staff is part of their obligation. So we expect homes to provide sufficient education, to keep the performance of the home and care levels at the standards established in our service agreements.

There are, from time to time, though, special requirements. I think you heard today about some of the behavioural programs that have been funded in the past that the ministry has provided special funding to support. It's an ongoing evaluation on the part of the ministry as to

whether resources are needed. I think the questions around adequacy of staffing levels that you've raised today, as well as a question, partly, of education—where do we add resources into the mix of staffing? Is it on the front line? Is it providing more educational resources and expertise or specialized support? These are the kinds of questions that factor into the overall questions of staff levels.

But clearly, as we've asked questions in the system—I referred to some of the quality summits that we've had—education of staff is an issue that comes up time and time again on different areas of practice. So as we're looking at regulatory reform, policy and funding, education is one that we're always concerned about supporting.

M^{me} France Gélinas: I'll start with Mr. Cutler. What line do you use to do continuing education with your staff?

Mr. David Cutler: It depends. If it's for nurses, it'll be out of the nursing envelope, if it's for programs, it's out of the program envelope, and if it's dietary, house-keeping or infection control, it's out of the accommodation envelope.

M^{me} France Gélinas: Same thing with you, Shelagh?

Ms. Shelagh Nowlan: Yes.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Can I just clarify a couple of points here? Is there any difference in the compensation to the pharmacy between what they receive when they get a prescription by a nursing home and somebody just walking in the front door? Is there any difference in the compensation the pharmacy receives?

Mr. Ron Sapsford: No. Well, some pharmacists in certain communities will forgo fees. We've seen that happen for Ontario drug benefit recipients, but the amount that they're able to charge for a dispensing fee is a regulated amount.

The Chair (Mr. Norman W. Sterling): Okay. The other one is on the consent issue, Deputy. From your response to my previous question on the consent issue, I take it that the task force is dealing with a very narrow part of the consent issue as they go forward. Am I correct in interpreting your remarks?

Mr. Ron Sapsford: No. The consent issue that the auditor referred to was the standing order issue. So we will be looking at that for sure, but looking more broadly at the question as well.

The Chair (Mr. Norman W. Sterling): I think every member of this committee, including me, understands the extreme difficulty of dealing with this issue in this environment. I think we all would like to see the best job done, but our first and my first concern would be the patient getting the needed medication at the appropriate time.

My concern would be the consistency across the system. In other words, I don't think nursing home A should have a different policy than nursing home T, or whatever it is. It's the consistency of the application or the burden upon each and every institution to have the same requirement as the next, so that you have a so-

called level playing field. Will the task force be dealing with trying to develop workable policies in terms of that?

Mr. Ron Sapsford: Yes. It's not restricted just to the standing order question.

The Chair (Mr. Norman W. Sterling): Any further questions? If not, first I would like to thank both Mr. Cutler and Ms. Nowlan for coming to the committee. You have added a great deal to our committee deliberations, in providing us with the practical knowledge of what actually happens on the ground. We all know that these are challenging times in terms of long-term care in our province, and all of us work with a number of our long-term-care facilities in each and every one of our

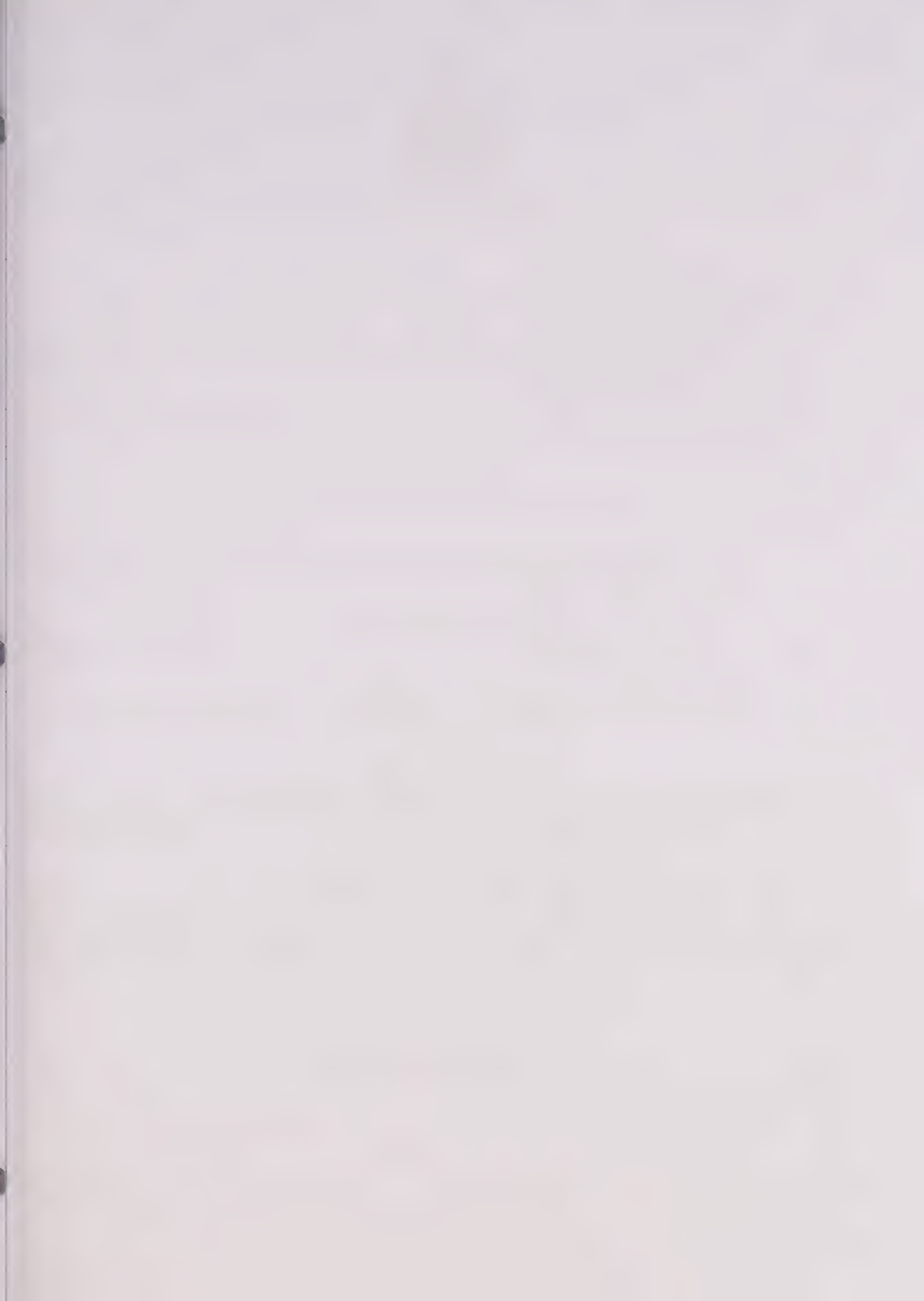
ridings. So thank you very much for making the trip—particularly you, Ms. Nowlan, from Kingston.

I think all members of the committee realize that the criticisms that were brought forward in the auditor's report don't point to any single home and that they are generic in their scope.

Mr. Sapsford and Mr. Burns, thank you very much for appearing before the committee today.

The committee will take a short break and then we'll reconvene to try to give some instructions to our researcher for the preparation of the report. Thanks, all, for coming to the committee today. With that, we will adjourn the committee.

The committee continued in closed session at 1153.



CONTENTS

Thursday 1 May 2008

2007 Annual Report, Auditor General:

Section 3.10, long-term-care homes—medication management	P-129
Ministry of Health and Long-Term Care	P-129
Mr. Ron Sapsford, deputy minister	
Mr Tim Burns, director, performance improvement and compliance branch	
Leisureworld Caregiving Centre	P-133
Mr. David Cutler, chief executive officer	
Providence Continuing Care Centre	P-134
Ms. Shelagh Nowlan, site administrator	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

 Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Ms. Laurel C. Broten (Etobicoke–Lakeshore L)

 Mr. Kevin Daniel Flynn (Oakville L)

 M^{me} France Gélinas (Nickel Belt ND)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer,
Research and Information Services



P-9

P-9

ISSN 1180-4327

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 7 May 2008

**Journal
des débats
(Hansard)**

Mercredi 7 mai 2008

**Standing Committee on
Public Accounts**

2007 Annual Report,
Auditor General:
Ministry of the Environment

**Comité permanent des
comptes publics**

Rapport annuel 2007,
Vérificateur général :
ministère de l'Environnement

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 7 May 2008

Mercredi 7 mai 2008

The committee met at 1231 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF THE ENVIRONMENT

Consideration of section 3.08, hazardous waste management.

The Chair (Mr. Norman W. Sterling): My name is Norman Sterling. I'm the Chair of the public accounts committee. Today we are dealing with section 3.08 of the auditor's report of 2007, which was brought forward in December 2007.

Today we have with us the Deputy Minister of the Environment, Gail Beggs. So I'll turn it over to you, Ms. Beggs. I understand you have some opening remarks, and you will introduce the other people you have brought with you.

Ms. Gail Beggs: I will. Thank you very much, Mr. Chair.

Good afternoon, committee members. I'd like to thank you for the opportunity to discuss the Ministry of the Environment's hazardous waste program. I want to begin by first apologizing to you for any inconvenience that you might have experienced by rescheduling this meeting and to thank you for doing that.

I'm pleased to be here with you this afternoon to provide you with information on our work on the Auditor General's report and to answer any questions you may have. Our ministry welcomes the Auditor General's report as an opportunity to ensure that our hazardous waste program is being administered effectively and that the environment is protected. I want to assure you that we're taking steps to address all of the concerns that the Auditor General has raised.

This afternoon, I am joined by Michael Williams, our assistant deputy minister of operations division. He's on my left, your right. At the end of the table is John Lieou, who is the assistant deputy minister of the integrated environmental planning division, largely responsible for policy in the ministry. Carl Griffith is to my immediate right. Carl is the assistant deputy minister responsible for the environmental sciences and standards division. Behind me is Deb Sikora. Deb, would you raise your hand? Deb is our CAO, the ADM responsible for our corporate management division. She'll substitute for one of

the other ADMs if we have concerns regarding the financial aspects of our program. We also have some staff who are extremely knowledgeable and competent in hazardous waste management sitting behind us to prompt us, or they'll substitute for one of the assistant deputy ministers if your questions get beyond the level of detail that's at the front row here. I'm going to turn now to my remarks.

We can say with confidence that our efforts are ensuring that hazardous waste is properly managed in Ontario and that the environment is protected. Our hazardous waste program is based on five key pillars. The first pillar is a strong regulatory framework. We have a comprehensive suite of legislation, regulations, policies and programs to manage hazardous waste in an environmentally responsible manner.

The second pillar is a detailed monitoring and reporting system. Our hazardous waste information network, fondly known as HWIN, requires hazardous waste generators, carriers and receivers to register their activities with the ministry. It's the first full-scale electronic registration in hazardous waste tracking system in North America.

The third pillar of our hazardous waste management in Ontario is effective regulatory oversight, including inspections and enforcement. We have a strong inspection regime based on risk and performance. If necessary, we prosecute those who don't follow our rules.

The fourth pillar of the program consists of education and outreach. The ministry continues to have discussions with industry to explain our rules and answer their questions. We've also updated our approvals guidelines to help companies comply with our rules. Education and outreach are important compliance tools and are part of the continuum that also includes voluntary compliance, orders and enforcement.

The fifth pillar of our hazardous waste program is continuous improvement. We are always looking for ways to improve both the way hazardous waste is managed in Ontario and the way we deliver our programs. We welcome the Auditor General's recommendations because they help us refine our approaches and improve our effectiveness.

Rather than going into each of the recommendations, I'd like to focus on three key elements of the ministry's work to improve the management of hazardous waste:

our monitoring and inspection regime, the financial aspects of our programs and our policy framework.

In his 2007 annual report, the Auditor General noted that the Ministry of the Environment lacks adequate monitoring and reporting procedures to ensure compliance with hazardous waste rules. I'd like to discuss the improvements that we are making to our procedures and how they will contribute to better compliance.

One problem we were facing is that some unregistered generators made shipments of hazardous waste, while some carriers and receivers received hazardous waste even though they were not authorized to do so. We now follow up on every shipment of waste by an unregistered generator and inspect unregistered companies that repeatedly ship without registering. We also follow up with unauthorized carriers and receivers.

One of the other concerns the Auditor General has noted is discrepancies between waste sent and waste received. The ministry has completed inspections of those facilities that most often had the greatest weight discrepancies and found that waste was being properly handled and managed, posing no risk to the public or the environment. There was no evidence to suggest that waste was being lost or improperly disposed of. Discrepancies were most often the result of differences in estimation of waste amounts by generators as compared to measurements of waste amounts by receivers—so a difference in estimation versus measurement.

We've also improved our efforts in following up with companies that have been refused a certificate of approval to ensure that they are not operating illegally. This is being addressed by improvements we have made to our information systems. District offices are now notified when approval applications are refused or returned to applicants for further information. This enables our staff to conduct appropriate follow-up with companies to ensure they are operating within the law.

We've also aligned our sector compliance branch inspections with district inspections, and we've updated the risk analysis framework for these inspections. The branch and our districts are co-ordinating inspection plans to ensure the high-risk facilities and underperforming facilities receive our attention.

Our planned inspection program helps to ensure that hazardous waste in the province is managed in a safe and responsible manner. We take strong action to identify and follow up with generators, carriers and receivers who are out of compliance.

Turning to the financial aspects of the ministry's hazardous waste program, the Auditor General focused on two prime concerns: inadequate recovery of costs to administer our program, as well as issues with our financial assurance requirements.

1240

Our ministry understands that without solid financial foundations, our hazardous waste program will not be viable in the long term. As the Auditor General has noted, the hazardous waste program has a goal to fully recover the costs of administering the program, including

the costs associated with policy development, monitoring, compliance, enforcement and information systems.

We have a fee structure in place that is intended to cover the costs of administering the program. We know that it's not doing so now and we are reviewing our hazardous waste cost recovery program.

Our review will include discussion with the government and affected stakeholders. Once the review is completed, a draft of any proposed changes will be posted on the Environmental Registry for public consultation.

Financial assurance is another area where we recognize the need for improvement. We see financial assurance as an important tool for reducing the risk that the taxpayers will be on the hook for cleaning up contaminated sites.

We have reviewed and are now updating financial assurance requirements for all existing facilities. To ensure that financial assurance amounts are being reassessed on a regular basis, all certificates of approval requiring financial assurance now include a standard condition for re-evaluating financial assurance amounts.

I'd like to conclude by talking about some of the policy work we have been doing to give you a sense of where the Ministry of the Environment is moving with respect to hazardous waste management. One significant new program for our ministry is the municipal hazardous or special waste program, MHSW, which is now being administered by Waste Diversion Ontario.

The MHSW program is an industry-led strategy to reduce the effects of household hazardous waste on the environment by providing more convenient management options for common household products such as paints, solvents, batteries and oil filters. The MHSW program is significant because it makes companies that manufacture and import these materials responsible for their proper management. It is the major step toward extended producer responsibility, a principle embraced by leading waste management jurisdictions, which should be a key feature of waste management in Ontario.

Following on a commitment that our ministry made in December 2007, we are also reviewing existing biomedical waste guidelines. We completed consultations with a number of key stakeholders in February and March 2008. The ministry is now revising the guideline to take into account the comments received. An updated guideline will help ensure that best practices are being used to manage biomedical waste in Ontario.

We are planning to post a proposal notice on the Environmental Bill of Rights registry in the summer of 2008 for further public consultation on this topic.

In conclusion, I want to again thank the members of the standing committee for the opportunity to discuss the audit of our hazardous waste management program. We know that the Auditor General has found shortcomings in our program delivery, but I also think we've made good progress in addressing the recommendations. We recognize that the work of the Auditor General and this standing committee play an important role in contributing to our success. We're pleased to answer your questions.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mr. Barrett, do you have questions?

Mr. Toby Barrett: Yes. Thank you for the presentation. You do address the discrepancies, as did the Auditor General, with respect to the amount of waste shipped out by generators versus the amount of waste received or not received.

I used to work in a fertilizer warehouse. Trucks would come in and trucks would go out. We knew exactly the numbers of bags that came in; we knew the tonnage that came in; we knew the tonnage that came out. Farmers would get a form and they would get a bill. If you didn't know, somebody wasn't being paid or somebody came off short.

You have an add-on system; I think it's a ministry system, both paper-driven and an attempt at electronic. But is there no way the Ontario government can access the records, the actual bill of lading, the bills that people receive, the cheques that are written back and forth, the money that's transferred in payment for this product?

Ms. Gail Beggs: Maybe I can start out, Mr. Barrett, and then I may ask my ADMs to step in a little bit. I appreciate your experience in the fertilizer industry.

In doing some of the follow-up on where we found the largest discrepancies, we've learned that some of the largest discrepancies are in the biomedical sector, particularly with Ontario hospitals. We're currently working with the Ontario Hospital Association to see if we can problem-solve around the issue of estimation of weight versus measurement of weight. We can give you a bit more detail of our investigations into this and the kinds of discrepancies we've found. So we are working with the association on that.

As well, our hazardous waste information system has been looking for opportunities for continuous improvement. At the current state of time, we have about 95% of waste generators registering electronically, but the manifest information we receive is manual. We know that there are best-practice models out there in the private sector—people like FedEx or Purolator—who use electronic manifesting. So we're in active discussions now with industries, in particular the five largest carriers, to see if we could institute a pilot, working with them to look at the potential for electronic manifesting.

We have some preliminary good discussions going on, but we haven't landed on that pilot yet. If you'd like some further information on either our review of the discrepancies or more detail on our discussions with the waste carriers, I'll turn it over to one of my ADMs.

Mr. Toby Barrett: We know that companies involved pay fees, but can the fees not be based on, say, the amount of product shipped, for example? We know they would probably pay a fee if they're landfilling on-site or incinerating on-site, but if companies were to pay a fee, or perhaps a tax somehow, if they're shipping off-site, that would give us perhaps a more concrete way of measuring whether they're paying taxes or not. If these discrepancies exist, it may show up. You could follow the money—taxes not being paid. Maybe that would give

us the opportunity to bring in either the OPP or the RCMP, or perhaps some real enforcement. Again, I'm not sure what the environmental officers do as far as investigating and actually finding where the stuff has ended up. But I'm wondering if there are some other options that way that would, in one sense, help us better track. If you're not paying your taxes, that's perhaps seen as more serious in our society than some of this other stuff.

I also wonder when I see a proposal by Deloitte Touche for a \$100-million investment over 10 years to set up some kind of a computer system that apparently nobody else has in North America. I just wonder if there are other ways of doing this. If the bad guys are let loose on this, if there is something going wrong, if there's some kind of an underground economy or any involvement at all from organized crime—I have no idea—then perhaps through taxation or following the money we can track it down.

Ms. Gail Beggs: Thank you, Mr. Barrett. Maybe I'll start, and then I'll get some of my folks to fill in some detail.

First of all, we do have a fee schedule, and we can review that with you. The fees relate to fees for generation and fees for manifesting. As the auditor pointed out, I think we're only at slightly less than half of program recovery. We do have an active review under way of the whole program, and as part of that, we will be looking at our fee structure and how to better move to cost recovery. So the idea of linking fees to amounts is an excellent idea that we'll examine under our program fees. So that's number one.

Number two, you asked about enforcement and whether or not, with a different regime related to fees, we might be able to bring in alternative enforcement arms. We have in the Ministry of the Environment a very active inspection program, but I also mentioned in my opening remarks that that is coupled with some soft compliance work at the front end—outreach and education—and hard compliance at the other end with investigations, enforcement and administering penalties. We have an investigations and enforcement branch, which has concluded several successful enforcement investigations that have resulted in prosecutions and fines and have active files under way. So we do have that hard end as part of the protection of the public interest today.

1250

In terms of our general knowledge about hazardous waste generated and hazardous waste received and disposed of, we are very confident in the framework that we've got in place today. With the HWIN system and the requirement for all hazardous waste generators to register all carriers and receivers, to input information to that with our hazardous waste information network improvements and our flagging of any discrepancies to our inspectors or our enforcement arm, and our follow-up of each and every one of those exceptions, I think the ministry feels it is on top of the issue of hazardous waste and is confident. I can't speak about ongoing investi-

gations, but I can indicate to the committee that there have been those in the past and there are ongoing investigations today.

Michael, I'm going to ask you to just comment a little bit further. Maybe you have some stats that can help the committee understand both past experience and what's going on today and just fill in the gaps that I may have left.

Mr. Michael Williams: Mr. Barrett, we draw on your experience too about the trucking and the shipping, that you know what comes in and what goes out. I'd like to share with you what we found, because I think there were important findings to see where the errors are, and then I can tell you a little bit about the follow-up work that we're doing.

Our deputy mentioned about the hospital sector and medical waste. As I'm sure committee members know, a lot of the waste that principally gets shipped are things called sharps. Those are needles and other medical supplies. We went out and checked a sampling, because the medical sector actually accounted for about 60% of the discrepancies that the Auditor General found. We looked at the other 40%, and I'll speak to that in a minute. But of the 60% that we found, we went into about 46 or 48 hospitals. We actually opened up the containers that were being used to be shipped and we found that many of them were half empty or half full, depending on the way you look at it. They all have a defined weight because there are standardized things for shipping the sharps. To your point, when they get to the receiver, all of them were properly labelled and all of them contained exactly what they were supposed to contain. The receiver does an accurate weight measurement, because, of course, that's how they're paid. So you take a box that's half empty and you take a look at it and go and weigh it, and you've come up with examples of how things were lost in transit.

I have a director who did a lot of that work, and who's in conversation now, as the deputy said, with the Ontario Hospital Association. We're going to work directly with the hospitals in terms of education and outreach to try and pare back some of the discrepancies that we're finding.

I would also like to share with you that there's more than just the medical piece that we did. We took a sampling of companies that had a greater than 20% discrepancy. I want to put this in a little bit of context for the committee members. Of all the shipments that are out there—there are about a quarter of a million shipments that were going on—the discrepancies were noted in about 10%, or about 26,000 shipments. So we went back. We found a university, for example, that simply made transcription errors. We found a packaging company that used different units of measurement from how they were moving their supplies in terms of how the receiver was weighing it.

One of the ones that I personally found interesting was when our inspectors went out and took a look at a pharmaceutical company. Some of the ways in which they were dealing with the waste that was being shipped

was just like you'd check your car oil with a dipstick. It's a called a dip tube measurement. You have a container that holds a certain amount of volume, you put a dipstick in it and take a look, and you say, "That equates to this much weight." There were 49 separate examples in that one company where they estimated the whole thing wrong.

Lastly, an automotive supplier: What the automotive supplier was doing was measuring the specific gravity of the waste that was being produced—there's a table where you convert specific gravities to weights—and they were way out. There were a number of errors there. Those were ones we followed up on.

Then there were others where we went out and conducted inspections—as you say, "Where is this going? Is there something being lost in transit?" I'll give you the inspection results on this. We went into one water purification and lab company that had a number of discrepancies on it. We found they were putting decimal points in the wrong places. We can have a conversation about administrative errors or about math or about science around some things, but I've got a better one for you, and I think it's a really telling one.

We had a company that was shipping—we actually had staff open up every manifest to take a look at this to trace it through the chain of custody in the system. The generator wrote "10" and then "ESL," meaning estimated litres. That's what was on the transcript. When it was entered into the HWIN system, people looking at it interpreted "10 ESL" to be 1,065 litres, an order of magnitude hundreds of times different.

We had an asphalt company that was very accurate. They said 6,919. That was the number of litres of waste. The receiver recorded 6,970. Then they had a conversation to your point about paying for exactly what comes in. The generator said "My number is 6,919; you're telling me it's 6,970. I don't agree with it." The receiver crossed it out and agreed with the generator's weight estimate of 6,919. When the volume got entered in HWIN, it got entered as 69,116, again because of handwriting—69,000 from 6,000, order of magnitude of errors.

Lastly, there was a plastics manufacturer. We went in and sampled these companies to find where the largest discrepancies were. I think members will appreciate that some of us are of the age where we can remember imperial measurement. The plastics company used yards and then tried to convert to metric and made a conversion error. They were going from cubic yards, which is a common measurement in the waste business, and made a conversion error in shifting it to kilograms.

I do want folks to understand that we have a lot of confidence.

When did we do this? We did this when this was drawn to our attention by the Auditor General. That's one of the things we need to recognize. As the deputy has said, there are lessons learned for us. We didn't have answers at that time. We, like you, said, "Where is it

going? What is happening out there?" So we went out and put a lot of resources in to determine that.

I can also tell you that we started to worry about a reference to, "Who is moving this stuff around, and what is it looking like?" So we pulled over truckloads and inspected 20 loads of waste at three different transfer stations: two in the GTA and one in central Ontario. We took a look at the manifest, we took a look at the truckers' records and then we said, "All right, let's actually weigh this stuff."

We found that there were discrepancies, again due to the estimating procedures used—there was absolutely no waste being lost in transit. We then went and checked the waste discrepancies at the receiving site. If you pull some of these over on the side of the road and start to open containers and stuff, I'm sure you'll appreciate that there are some potential health and safety issues when you're moving this kind of material. So we went to the transfer stations, where it's best to do it, took a look at it and found, absolutely, that there was no issue with the waste measurement. So it is an issue of estimation through to final weighing and disposition.

To your point, if I could use the language this way, about the appropriate levers or incentives to get people to straighten this stuff out—is it fees, is it a different structure, is it a different way of going at some kind of a system?—what we believe we need to do, and are doing with some sectors, is a better job of education and outreach. We need to get out there and stop these administrative transcription errors. There's no question that they're happening.

1300

To your point about if it is possible that something is slipping through the safety net or the checks and balances we have in the system, and if there are entities other than the most upstanding corporations involved in this, we also have plans for that. I'm pleased to tell committee members that about a year and a half to two years ago, we created an intelligence unit with our investigations and enforcement branch. One of the first things they were tasked with was to go and take a look—I realize this is being recorded in Hansard, and I'm not going to tell you exactly all of the things, but I want to make sure for the record that you understand we have that in place. The director of our enforcement branch has that particular unit engaged this year in the hazardous waste sector, and we are going out. We can track through the system: Are there people abusing the system; are there people operating outside the system? We're going to try to find if there are any. So we have that intelligence unit doing that.

I also would say that there are 22 district and area offices across the province with our environmental officers in them. Our officers, like you and I, live and work in those communities. They are out there looking for examples where there might be improper registration, improper weighing and improper shipping of hazardous waste. It's fine to say, "When you know where the facilities are, you can go and check them," but we're also

initiating work to go out and see if we can find examples of where there is system abuse. We do that through a system of surprise, unannounced inspections. We're actually doing that through a project across the districts where our staff will go out and search for people who are perhaps shipping illegally or trying to move something around our system.

To the deputy's point about enforcement, I can tell you that we have 83 convictions registered under this program, fines totalling \$2.3 million and another 30-odd prosecutions under way. I can't discuss the nature of them, but there is a significant amount of effort that we are putting in, and I want to assure committee members that when we do find abuses in the system, we act swiftly to correct them.

The Chair (Mr. Norman W. Sterling): Ms. Horwath?

Ms. Andrea Horwath: It's my understanding that the amendments to regulation 347 created much of what is happening in terms of improvements to hazardous waste handling in the province. If I'm correct, it really focuses on some of the larger-scale operations. My understanding is that the smaller producers of hazardous waste, like dry cleaners and places like that, are not really captured by this regulation and the current processes. My question would be: Knowing that dry cleaners produce an estimated 450 tonnes of hazardous waste annually, using products like perchloroethylene, which is a toxin under the Canadian Environmental Protection Act, what measures are being developed at this time to address hazardous waste that's not being caught by regulation 347?

Ms. Gail Beggs: John, I'm going to ask you to talk about the regulatory framework and, to the extent you're able—and feel free to substitute for Ian—address Ms. Horwath's question around coverage for small operators like dry cleaners and how we're moving forward.

Mr. John Lieou: Ms. Horwath, I'll ask Ian Parrott, who can explain to you a little bit about the framework we have in place for dealing with hazardous waste.

Mr. Ian Parrott: To your question about small generators of hazardous wastes—dry cleaners are one example of those—there are a number of small or medium-sized businesses in Ontario, and they are caught by regulation 347 and the hazardous waste regulatory system if they produce hazardous wastes. They are caught by all the requirements: the generator registration, the manifesting and the need to send waste to sites that are appropriately licensed to receive them. There are some exemptions in regulation 347 that deal with very small generators. They tend to be very small amounts of waste. I think that most small and medium-sized businesses would in fact be caught by the regulatory—

Ms. Andrea Horwath: So, perchloroethylene particularly, which is used in the dry cleaning industry, is identified as a hazardous waste and is measured and tracked, if you will, in terms of disposal in the province?

Mr. Ian Parrott: Yes, it is. There are facilities in Ontario actually licensed to receive those materials and recycle them into reusable products.

Ms. Andrea Horwath: You said that there were other smaller industries, smaller businesses as well. What other kinds would be similar to dry cleaning that you would consider to be covered under this regulation?

Mr. Ian Parrott: I can't think of a specific example that would be like that, but for a large generator it would be examples like steel mills and that kind of thing. There's a whole range of industrial and commercial manufacturing operations in Ontario that would be considered small or medium-sized just in terms of the waste they produce.

The Chair (Mr. Norman W. Sterling): Car body shops would be—

Ms. Andrea Horwath: Car body—yes, that's a good one. So it's the ministry's position, then, that all of these small operators are already caught in this regulation, are already being addressed through the system that you currently have in place. Is that correct?

Mr. Ian Parrott: That's correct.

Ms. Andrea Horwath: Okay. My other question then is kind of flowing from this idea of becoming more restrictive around landfilling or around the land disposal of hazardous waste. Is there then a resulting situation whereby people might be more apt to then go to incineration as a disposal option as opposed to landfilling? Flowing from that, then, is the ministry at all in the process of looking at new regulations or guidelines specific to hazardous waste incineration that tightens up the standards and restrictions in that area?

Ms. Gail Beggs: Maybe I'll start, and then I may look to some of my team members to help flesh in the details. My understanding is that today, as hazardous waste is generated and transferred and received, the end point of the hazardous waste is a couple of different end points.

One potential end point is that the hazardous waste is processed and the by-products can be used in a recycled fashion—obviously good for business, good for the environment and an excellent outcome.

Secondarily, hazardous waste, as you said, may be landfilled, and we have a new regulatory regime in place that is filling a gap that was suggested in the Auditor General's report in terms of standards in Ontario not matching significant standards in the United States. With the passage of regulation 347, we're implementing new standards. The first of those were implemented in August 2007 and relate to inorganic waste. The second phase will come into play in December 2009 and will relate to other hazardous waste. I think—and my staff will correct me if I'm wrong—that will be primarily organic waste.

Once that regulation completely comes into place, we believe we have a regulatory regime that is equivalent to the regulatory regime in the United States and in the rest of Canada. To the concern that has been expressed that we may be the recipients of a large volume of waste from outside our boundaries, there will be no incentive because of our regulatory regime.

The next point I would like to make is that the third outcome for hazardous waste that isn't recycled or processed or landfilled is incineration. Incineration does

happen today, in Ontario, in hazardous wastes, and continues to happen. The ministry's policy work in the area of hazardous waste is the recent policy work with the WDO that you saw concluded in a new municipal hazardous and special waste program. We're now actively doing some preparatory work to request more substances under the municipal hazardous and special waste program, so more opportunities for better disposal of hazardous waste generated by you and me at home.

1310

We have recently received from WDO a waste electronics program. That has in it some elements of hazardous materials that we are actively considering moving forward with. So that's another piece of policy work.

In my opening remarks, I referred to our review of the biomedical waste guidelines. We've had some focused stakeholder consultation and we're now preparing, based on that input, enhanced guidelines that we will post for public comment in the summer of 2008.

We also have a commitment in statute for a review of the Waste Diversion Act. After five years, the statute required an examination of that act, so we will be launching a review of the Waste Diversion Act as part of our planned policy activities.

I think now I'm going to ask John Lieou to fill in any gaps in our planned policy work, particularly as it focuses on hazardous waste going forward.

Ms. Andrea Horwath: Can I just ask that it focus on hazardous waste incineration and guidelines—

Ms. Gail Beggs: Incineration specifically, okay.

Ms. Andrea Horwath: That's one of the pieces that I was trying to get at: Where are we in terms of upgrading our standards around hazardous waste incineration in the province?

Mr. John Lieou: I think your question was, now that our standards are harmonized with US standards and so on, is there a push towards incineration?

Ms. Andrea Horwath: But subsequent to that, I think the deputy said that she didn't think so because in fact it's not creating that. The deputy indicated that there is incineration of hazardous waste currently in this province. My question would be: Is there any view to any planning around changes to the guidelines or changes to the regulations and guidelines that are specific to incineration of hazardous waste in this province?

Mr. John Lieou: First of all, as the deputy said, there's no push towards the incineration of hazardous waste.

Ms. Andrea Horwath: I think that's clearly—

Mr. John Lieou: We only have one facility in Ontario which is allowed to incinerate hazardous waste. This is biomedical waste, and it's the only facility in Ontario. Any proposal—and we don't have any proposal—to incinerate hazardous waste would have to go through a very rigorous and very stringent approval process.

Ms. Andrea Horwath: In terms of approval processes with existing guidelines and regulations, existing standards, existing requirements, there's no plan at all,

there's nothing that the ministry's looking to in terms of hazardous waste incineration?

Ms. Gail Beggs: Not specifically new proposals, regulatory proposals with respect to hazardous waste. However, and I'd ask staff to correct me if I'm wrong, we have been working actively on new air standards. Over the past four years or so, we've brought into play new air standards in the province—in 2005, 2007—under a regulation under the Environmental Protection Act called 419, and we have ongoing work in the ministry for a third suite of standards under regulation 419. As these regulations get passed and implemented, they impact end-of-stack emissions for all stack emissions, whether it be incineration of waste, base metal smelting, steel production or manufacturing of other nature—so not specifically targeted at incineration, but relevant and applicable to all processes.

One other correction I'd like to make is, I believe we may have two sites in the province where incineration happens. One is more generic incineration of hazardous waste, and John spoke about biomedical waste incineration in the Peel area. So there are two.

Ms. Andrea Horwath: Okay. That's actually helpful. This new suite that you talked about in terms of coming up in the next little while—does that get posted on the Environmental Bill of Rights?

Ms. Gail Beggs: Absolutely. We have a process that involves a scientific review and development of policy proposals. Once we're ready, we do very focused consultation with stakeholders who have a keen interest, but we always use postings on the Environmental Bill of Rights registry for public comment. I would say that's universal for the work of the Ministry of the Environment.

Ms. Andrea Horwath: That's helpful. You were talking a little bit in your remarks, Deputy, about the issue of what's being done with municipalities. One of the things that I can recall coming up even in my own community is this anxiety around overstrength agreements, this difficulty that people in the community, environmental activists particularly, have around the dumping of hazardous waste into sewer systems. The waste water treatment plants or the sewage treatment plants are actually built for a particular purpose, which is dealing with human waste, as opposed to toxic chemicals or heavy metals or other kinds of toxins that end up through overstrength agreements and through other means—not always legal ones—being dumped into the sewage system. Are there any plans afoot for the regulation of disposal of hazardous waste into the sewer systems?

Ms. Gail Beggs: Let me start by saying that I've been with the Ministry of the Environment now for 10 months, and one of the areas of great pride in the ministry is the environmental sciences and standards division. They have some very excellent monitoring programs that have been in place for the life of the ministry. One of the things that I think the public can feel good about is the

monitoring that's done by the Ministry of the Environment.

We have recently done some special monitoring work around what is happening in terms of waste entering sanitary sewer systems. John Lieou has some of the details on that. So I'd just like to give you that information, and then, John, maybe you could address Ms. Horwath's question around any plans in terms of upgrading our regulatory framework around that.

Mr. John Lieou: Yes. In terms of work done, there is work done throughout Canada right now. We are one of the players around the table working with all of the other provinces and territories in terms of developing a new set of Canada-wide standards for effluent standards, and it covers the entire suite of effluents. Coming out of the other end of the process are going to be Canada-wide standards that cover the entire spectrum of standards. So indeed, to your question, we're working with the CCME, which is the Canadian Council of the Ministry of the Environment, in developing a new set of standards.

Ms. Andrea Horwath: But I guess my concern would be that this has been an identified problem for quite some time. It's been several years since I was on my own city council in Hamilton and it was a big problem then and it continues to be a big problem, and we are now several years out from that point in time. My understanding of the process is that it's quite lengthy. Are you getting an understanding of when there might be a Canada-wide standard?

Mr. John Lieou: You're right. I haven't been with the Ministry of the Environment that long either, but the process started way before I joined the ministry. But I think the process of developing those standards is very far along, and I think it's getting close to a conclusion.

Ms. Andrea Horwath: The concern I have is that the process is protracted. At the end of the day, it's the lowest common denominator that comes out of that process. Everybody would recognize that it's consensus-based. Basically it's the lowest common denominator, I think everybody recognizes, that comes out of that process.

Here in Ontario, if we're aware that this is a problem, my question would be, isn't it really the job of the Ministry of the Environment to protect the health and well-being of the people of Ontario? And why is it not within the thought of the ministry to actually jump ahead and do something proactive on this particular file when it's one that has been identified for a very long time here in the province?

1320

Ms. Gail Beggs: I take your point that sometimes when you work nationally there is compromise in coming up with standards. I do know that there are other cases when Ontario has regulated over and beyond national standards. I think that where we have an environmental concern, and there's demonstrated evidence, we need to go further. We have a track record of going there.

We have had a study under way and do have some monitoring of out-products from municipal treatment plants. I don't believe we have that information at the

table today, but what I could do is make an undertaking to get back to the committee in writing by the end of the week with what we've learned through that, and at least the beginning of an assessment of whether that needs to be of public concern or not.

Carl, is there anything that you can say today that would help on this, or is the written reply best at this time?

Mr. Carl Griffith: Maybe I can just add a little bit. I believe there were about 29 waste water treatment plants where the ministry was looking at a characterization, because we know that stuff goes into the sewers leaving to the waste water treatment plants to see what they can do with it to take it out. Certainly, the preliminary assessment that we've been finding was that they're doing a good job, even though they weren't constructed to be a complete pollution abatement facility; the levels that we were finding coming out of that were very, very small. But as the deputy pointed out, we can provide more details on that characterization—

Ms. Andrea Horwath: What often happens is, the sludge is contained—the end product ends up being contaminated, and then the difficulty is, what do you do with that? The solution is incineration.

So I'm kind of going back to the beginning in terms of my questioning. You'll see why I went the way I did, because it's extremely frustrating. Then we're faced with these issues of incineration because the by-product can't be spread on farms or whatever, and that's fine. In a city like Hamilton, which is where I come from, this is a huge concern and a big issue.

I would actually appreciate that. I would hope that one of your samples is an industrial-type city, because that's quite different than a non-industrial-type city, and so there are lessons to be learned there in terms of what's going into the waste water treatment plant or the sewage plant.

Ms. Gail Beggs: Michael Williams, our ADM of operations, can also add a little bit more information to the puzzle, which I think gives us, collectively, a bit more confidence. Michael, can you just mention to the committee what you were telling me?

Mr. Michael Williams: What our district inspectors do is that they work with the municipalities and the operators of the sewage treatment plants, in particular those that have the sewer use agreements, so that industries can legitimately discharge according to certain limits. As part of the inspection that we do, we go back and check with the municipality as to which industrial discharges are coming into there that they're aware of. Are they within limits? Is there anything we need to do to ensure that we're not getting any surprises under the effluent from that?

There's a policy question around the future of the limits, but what I can tell you is where there are limits now. We inspect for that, and we work with municipalities on that. Particularly in heavily industrialized communities, sometimes the conversations that we have with the municipalities lead us to do a little bit of what I

would call an undercover exercise to take a look at some industries in the area, because municipalities do call us and say, "We're experiencing some things here, and we don't know where they're coming from." We work cooperatively with municipalities to do that.

Ms. Andrea Horwath: I really appreciate that. And if I can just encourage you, when you're sitting at that national table, do everything to get something happening nationally, and then if this evidence is clear that we need to act unilaterally, I would just hope that we would actually be able to do that.

Ms. Gail Beggs: I don't mean to use your time, but John thinks he has some more pertinent information.

Mr. John Lieou: I appreciate that advice, and we'll certainly do that.

I just want to add that, apart from everything that we're doing around the issue of potential hazardous waste and sewage and so on, we monitor and all those things, but we're also embarking on a number of things. The big thing that we're actually embarking on right now is a toxics reduction strategy. The important thing is to get toxics reduced in processes and so on. That's the best way, I think, to relieve this problem, which is to use less of them in the first place and not to use hazardous material, if possible. So we're actually starting on that process, and certainly once we conclude that—and we hope to conclude it reasonably quickly—we will see a big improvement in the future years on this issue.

Ms. Andrea Horwath: Thank you very much.

The Chair (Mr. Norman W. Sterling): I'm going to go to Mr. Zimmer.

Mr. David Zimmer: Oh, thank you, Chair. I've got a systemic question, and please don't take offence at it. I know you've only been there 10 months or so.

In the auditor's report, at page 183 in the summary, he says:

"Partly owing to continuing problems with a computer system implemented in 2002, the ministry does not have adequate monitoring inspection procedures in place ensure compliance with legislation ... aimed at protecting ... from the risks posed by hazardous" materials. "Specifically, the system implemented in 2002 was not, at the time of our audit"—that's this year—"achieving its intended purpose.... In fact, most of the staff we talked to indicated that the previous system had better and more user-friendly analytical and reporting capabilities, enabling them to focus" on their job and do their jobs. And then he points, in sort of a paragraph for each one, to about eight instances of this.

The core task of what you're doing is to protect the citizens from environmental hazards from disposal of this stuff. The core tool, or one of the core tools, is the computer system, which has been in place since 2002. Six years have gone by, and it doesn't work. It doesn't do what it's supposed to do. I'd like to see what my daughter has to say about that.

So my question is: How does it happen, or what's going on, that a situation can exist where there's a fundamental, necessary management tool that was put in place

six years ago and doesn't work? What happened there? How did that situation develop? Then I have a follow-up question after that.

Ms. Gail Beggs: Maybe I'll start, and then I'm going to ask Carl Griffith, our ADM, who's in charge of that system, to fill in the details.

The ministry has been working over time to improve its hazardous waste information management systems. We are, as I said in the beginning, focused on continuous improvement. If you'll go into the detail of the Auditor General's report, you will know that we've had two systems functioning and we've been migrating from a historic system to our new HWIN system.

If you remember from my opening remarks, I also said that the HWIN system is the first electronic system in North America that actually tracks in a comprehensive fashion hazardous waste. So generators, registers, carriers and receivers have manifests. It's a system in evolution and we've been making continuous improvements to it. We have track record of continually improving it. One of the recent improvements we've made has flags that go up whenever there is a discrepancy noted in the system. When generators who we know are out there have—

Mr. David Zimmer: If I may: I appreciate all the problems, but the core of my question is that, given all those problems, why does it take six years to get a fundamental tool up and working? It's not working yet. I say this with all respect. I'm just trying to understand the system.

For an airline reservation system: Supposing they put in an airline reservation system in 2002 and you talked to the president of the airline today, and the answer was, "Well, we're making improvements and we're fine-tuning it. It takes a long time to get the system up." You would have chaos in the airline. So my question is, once your management puts in a core tool and it doesn't work, how does it happen that that sort of drifts for six years without them working on getting the core tool in place?

1330

Ms. Gail Beggs: What I would say is that we are working on getting the core tool improved. Some of the issues that are cited in the Auditor General's report probably go back to policy issues. I'll give you an example. We spoke earlier with Mr. Barrett about the idea of requiring electronic submission of carrier information. I mentioned in my answer that we're now working with industry for a pilot along those lines.

As public servants, we're always balancing to find that sweet spot of the public interest, so we could suggest to government that they require electronic manifests. That could make a much more comprehensive system that works better to support the activities of the Ministry of the Environment.

The balance, though, that we have to strike is that there are 25,000 generators, a few hundred carriers, and a few hundred receivers for a very large industry. It's probably easy to comply with a requirement for electronic manifests. In fact, they may run their own operations electronically. But for smaller business entities, some-

times the costs of moving there are not affordable or there needs to be some transition time. What we don't want to do in the policy recommendations we make is drive experience underground and have the costs of participating in the system be prohibitive, and have people avoid paying those costs by just not complying with the regulations. The balance would be, we would have to put a lot more effort into inspection and enforcement if we set up that policy framework.

It's not answering it directly, but I'm trying to suggest that finding that sweet spot of suggesting improvements that are also effective in supporting our programs and possible to implement is one of the challenges we have as public servants. In the review that we have under way right now, we are specifically looking at ideas like electronic manifesting, and whether we could require that and what might be the operational or transition issues to get from where we are today to where we'd like to be.

I know I've kind of worked around this a little bit. I don't know, Carl, if you'd like to add. You have a bit more history with the system than I do that may be of benefit.

Mr. David Zimmer: Do you have any idea what the budget for this computer program is?

Ms. Gail Beggs: For the current one for the HWIN system?

Mr. David Zimmer: Yes, that's one that I'm referring to.

Mr. Carl Griffith: We spend on average about \$1.7 million a year.

I'd like to try to answer your question about the changes and the corrections that we have made to enhance the system. Many of those are based on observations that the Auditor General has made. The Auditor General made comments before about the system not being able to produce, in a timely fashion, violation or exception reports of companies that either hadn't registered or tried to ship waste without being registered or weren't authorized to carry certain waste or to receive certain waste. We have made an investment in that system, and that system now does produce, in a timely fashion, that type of compliance information, which is then transferred to our operations part of the ministry so that they can develop a compliance strategy on that side to get people into compliance.

The Auditor General made comments that the ability to produce financial reports, particularly around outstanding debts and revenue reconciliation, wasn't as good as what it should be. We have corrected that problem. We now can track. We can reconcile our revenue and we can track who owes the government money, by how many days and who they are. We're now using that intelligence to develop compliance strategies to get those accounts receivable down. In fact, they are down from what the Auditor General had observed in his report.

The deputy has made reference to looking at some electronic—downloading information from the carriers right now that have it.

I guess what I'm trying to say is that we have made improvements, we continue to make improvements, and the system is providing, I think, a considerable amount of intelligence that is helping us in our overall management of hazardous waste in the province. But there's still work to be done.

Mr. David Zimmer: Don't take this question the wrong way. I'm always struck by how it typically requires the auditor to step in and draw attention to areas that need attention. Why doesn't that just happen on its own, as a part of day-to-day operations, without the prodding of the auditor?

Mr. Carl Griffith: I would say that's twofold—and I want to be careful with my response. We continually look for ways to improve the systems, but that is a supplement. We were making investments and we were trying to evolve our tracking and our information management system to improve it. Certainly, the observations of the Auditor General help clarify some areas that perhaps we weren't as clear on as to where we could make certain improvements, or maybe doing a little triage on where we should focus our attention in the immediate future.

The Chair (Mr. Norman W. Sterling): Mrs. Sandals.

Mrs. Liz Sandals: Do you want to go round again?

The Chair (Mr. Norman W. Sterling): No, you still have some time left.

Mrs. Liz Sandals: I still have some time? Okay.

A couple of financial issues: The auditor had raised the issue around financial assurance and the fact that it appeared that that was inadequate to cover some of the cleanup costs when there are accidents. I wonder if you could comment on whether you've been able to—I think you made some note on revising those more frequently. How do you actually go about deciding how much an individual carrier should have in terms of financial assurance? Does that always cover the cleanup, or are you looking at reasonable expectations when you do those calculations? If you could give us a bit of information.

Ms. Gail Beggs: I appreciate the question. I'm going to start out again at the high level and then I'm going to ask Michael Williams, who's been accountable for some of our very recent work in this area, to describe it in more detail.

We agree with the Auditor General that financial assurance is a key element in ensuring that the taxpayer isn't responsible for things like spills or contaminated sites, so it is an important element in our program. We've been improving our financial assurance system, and, in particular, we've been reviewing all of the financial assurance requirements for waste receivers in the province. We're updating the financial assurance requirements from those receivers when we find that that's necessary. We are now requiring updated financial assurance as part of the conditions in our certificates of approval.

As well, we also recognize that carriers of hazardous waste have a financial obligation, and we're requiring

them to carry liability insurance. So if it's actually an accident involving a carrier in transit, there is assurance to the public that they have the resources to clean up, for example, a spill that happens.

Michael's staff have been working diligently, going through all of the financial assurance agreements and setting up a new suite of criteria in which staff are judging today's financial assurance against what it should be. So Michael, I'll ask you to fill in the gaps.

1340

Mr. Michael Williams: There are just under 400 certificates of approval that require financial assurance, and the Auditor General and his staff helpfully indicated to us that there were some deficiencies in some of them. At the same point in time, there were a number of applications that had been under review for quite a while, and we hadn't landed on what the financial assurance amounts would be for those. So last summer and fall, we launched an initiative to provide the assurance that everything's up to date, and we did that. We went through all—I believe the number is about 364. We opened all of them up and we took a look at every one of them.

To your question about the factors that go into it, we do look at the amount that would be required if there was a problem with the facility, the nature of the waste that's being handled at the facility, how much it would cost to get it fixed if somebody literally walked away—because financial assurance is there to protect the crown's liability in case there's a bankruptcy or people just refuse to discharge their obligations to us.

One of the core elements of the program that's really important—and the Auditor General pointed this out to us as we were providing the records for him and his staff and looking at it—is that there were differing requirements in some of the documents. Some of the certificates of approval didn't have a requirement to annually update the financial assurance. So in November 2007, we issued a set of very stringent instructions to staff and to the industry and we said, "From this day forward, here's how it's being done," and we reopened all of the files. Annually, they will all be updated.

I'll give you an example of things that would significantly influence costs for the crown or for our company. Look at the price of fuel, for example. If we say, "Fuel costs have gone up, so whatever you need to do"—if you have part of your business that is fundamentally dependent on a fuel cost, whether it's diesel for operating equipment that would need to remove some of the materials or transport it to an approved processing or disposition site, it's reasonable to assume that the costs would go up in this year with the price of oil.

So we now have a requirement in each of those certificates of approval that they will be required to be updated annually. We think that that's the check and balance in the system we need so they don't become outdated again. We also have it introduced with instructions to the staff in the field that when they do inspections, they're to check the financial assurance requirement. They're to go in now, as part of the in-

spection report, and say, "What's the amount of financial assurance on that facility, and is it sufficient?"

Mrs. Liz Sandals: Do you have some method of evaluating the risk of the particular products being handled and the potential cost of cleanup? Presumably, depending on volume and depending on material, potential cleanup costs could vary quite dramatically.

Mr. Michael Williams: You're absolutely correct, which is why, also in the fall, we updated our guideline for the calculation of financial assurance. It's a very detailed guide that specifies what sort of engineering components need to be considered, what sort of labour components, what sort of risk around the materials that are being handled, and what opportunities are there to be able to fix a problem if it comes up.

I want to assure the committee that this is not a process that is taken lightly. This is a process that takes a significant amount of time to do properly. Often, there are extensive discussions—I won't use the word "negotiations"—with the proponents who file the certificates of approval with us. Sometimes there are disagreements. We say, "It's this much and here's the reason why." We do give the holder of the certificate of approval the opportunity to convince us that we're wrong, that there are other extenuating circumstances that need to be taken into account. Ultimately, it is the crown's decision as to what we impose on it, but there is a right of appeal. So if a proponent feels that we've been too harsh on them or our calculations are wrong, they can appeal that condition in their approval to the Environmental Review Tribunal. We don't get very many appeals. But there are a number of circumstances where, as you point out, there may be differing views on how a problem could be fixed, what's the amount of it.

In fact, the Auditor General raised an example, not with respect to a hazardous waste site but with respect to another large industrial site in southwestern Ontario, where I believe he'd noted that we had \$3.2 million or \$3.4 million in financial assurance. One particular study had been done that said, "If that corporation goes belly-up, you're looking at \$60 million to try to remove this thing in totality." Since that time, we took a look at that site too, albeit outside of the hazardous waste program, and we've determined that it would probably cost about \$15 million to handle the crown's liability on that site. We issued an order to the corporation to up the amount of financial assurance. In this case, the corporation went bankrupt, not because of our order but because of other things. So the crown has moved in to protect its interest, to protect the public and the environment to ensure a cleanup in there. I can't divulge to you the content, but we're in mediation and negotiation, and we're looking at \$15 million plus to get from that to make sure the crown's protected. I want to assure the committee members that yes, we recognized there was a problem. We weren't keeping it up to date, and we've fixed that.

Mr. Toby Barrett: We know that one of the major recipients of hazardous waste would be the Sarnia facility, Safety-Kleen or Clean Harbors—I think that's the

same facility. I've never visited that facility. I'm curious: Is it strictly storage? Is there treatment? Is there recycling? Do they work with other facilities? There must be a number of other facilities beyond the Sarnia facility where Ontario's untreated waste ends up. We know that treated or pre-treated US waste goes there, and I'm just curious: Is that mixed in with the other stuff, what goes on there, and what's it going to look like 100 years from now or 1,000 years from now?

Ms. Gail Beggs: Probably Michael Williams, of our team, being the operations ADM, has the most familiarity with the site that you're questioning about, Mr. Barrett, so I'm going to turn it over to him.

Mr. Michael Williams: I've been out there. It's a site in southwestern Ontario. There are two components to the site. It has a provision for landfilling. The site also has an incinerator, which the deputy referred to earlier. That site is approved to accept a number of different hazardous wastes. I'll give you a little bit of a description about what goes into it, and then I'll tell you how it's managed.

It can take a lot of hauled liquid industrial waste that can't be further recycled. One of the goals in managing hazardous waste is that you want to extract what's a product in there. Let me give you an example. You get your oil changed in a car. Why would you send that used oil to an incinerator? Why wouldn't you have that used oil be properly batched, transported, put into a facility—and it does go into a facility in Ontario where it can be re-refined or reused. Think of the facility in southwestern Ontario as the last resort for disposition after we've looked at recycling, after we've looked at reusing.

There is an economic incentive. For example, some of the chemical solvents used in cleaning processes and industrial degreasing processes have a lot of value in being able to clean the degreasing solvents and reuse them.

Typically, the kinds of things that would go there would be from the automotive sector, some lubricants, some chemicals used in manufacturing processes that are spent, some steel and some agricultural products. That's what goes into the site.

We monitor that site quite extensively. In fact, we have a full-time inspector who is on that site. We would be out there at many different hours of the day and night. One of the things that people may or may not realize is that we do inspections around the clock. For example, at that particular facility, we have gone in there on weekends, after midnight, and we have just said, "Hi. Let's take a look. Open up the truck and show us what's coming in. Show us the nature of the content."

The site is quite well run. There has been an issue with respect to an odour of naphthalene coming from the landfill. That odour is well within the limits that Ontario imposes in the operating certificate of approval, but we want to work with the company to remove any objections, because naphthalene—mothballs—is, as you can appreciate, quite a strong odour. The company has taken significant action to deal with that.

The other part of the facility is the incinerator. That's obviously a matter of concern to the community too. We had a special program in play that we did this past spring and summer at the incinerator, and I'll just share a little bit of the results with you, because it is Ontario's only final disposition place for industrial waste, as opposed to the biomedical incinerator. My colleague in the science and standards division has a number of scientists who operate what essentially is like a big RV. It's called the ministry's TAGA unit. That stands for the trace atmospheric gas analyzer unit. We bring that out to do, I like to use the word "forensic," investigations. We don't bring that out as a matter of routine. What we did is we took it out and we sent it down to the facility this year. We put our scientists in there. We did all of the air monitoring on that. We did an extensive program through our on-site inspector because we believed that the results that we were getting were good results. We believed it was all within Ontario's limits. We essentially wanted to prove it, and we didn't want to take company's word for it, quite frankly.

1350

We have a number of results from that. I can tell you the numbers that were obtained from that relative to performance of the incinerator, and we got numbers from the TAGA unit. There are also requirements that that facility be monitored. There are real-time emissions monitoring controls on that facility, and our inspector can access them and check them against the government standards. Periodically, we require an independent third party to go in and do what we call stack testing, which is actually going in, taking samples out of the stack and measuring for a much more wide range of compounds and substances, which you can't get in a continuous monitor. The results of those two efforts have shown with the TAGA unit out there. They were in full compliance all the time, every hour of the day, with the Ontario air standards. In fact, there were what we call non-detects for many of the parameters.

We measure at the property limits; that's the way in which it's specified. That's one way of doing it. The other way is the stack test, and I can give you an indication—I want to make sure I get this right, so I'm going to refer to a note, if you don't mind. I have some of it off the top of my head.

The incinerator emissions for compounds in 2007 were well within ministry standards. All of them were below 20% of the allowable limits. These were actual measurements, and in fact the majority of them were less than 1%. It's a very, very well functioning incinerator.

The other incinerator that we have that my colleague mentioned is the biomedical waste incinerator in Peel region. We frequently inspect it. The staff in our ministry's central-region office are out there quite a lot. That incinerator's performance is exceptional. It's very good. We have no compliance issues with it.

Mr. Toby Barrett: So it's a private company, and you mentioned this economic incentive to run that facility. You mentioned the used oil service that they provide.

I assume that right on-site they can recycle that somehow, or make it a product that can be made into new oil? The reason I raise this is that as a rural MPP I've been getting an awful lot of calls. This seemed to be before the election. So many fellows have oil burners in their shops. A number of people just in my area have purchased fairly new used-oil burners and spent a fair bit of money for a fairly large shop. I'm sure your ministry has also heard a lot of concern.

I'd like to get a bit of an update on the burning of used oil and whether there's a different standard for northern Ontario. I think a number of years ago there was a different standard set up for the north. One reason I ask this is that there's a conspiracy theory out there that Safety-Kleen is behind this because they want the used oil. They're a private company and they make money off it by recycling. Guys like me who sometimes change their own oil—first of all, they don't know what to do with it. Secondly, I can't sell it to Safety-Kleen. There's no economic incentive for me to deal with this, other than perhaps to run it through the woodstove in my shop.

I've gotten sidetracked a bit. I would like to know the situation as far as the market for used oil, recycled oil and, given ever-increasing input costs for energy, where we stand as far as people using used oil that they take out of most of the machinery right in their farm shop or other shop.

Ms. Gail Beggs: Mr. Barrett, we're going to get Michael just to comment on what goes on at the facility Clean Harbors with respect to used oil, and then we're going to turn it over to John Lieou, our ADM of policy, to talk about what we've recently put in place with respect to used oil in the province.

Mr. Michael Williams: With respect to the facility with the incinerator and landfill in southwestern Ontario—and, sir, you've named the two companies—there is a distinction. The company Safety-Kleen that you're referring to is the oil re-refiner that does the recycling and the processing. The large incinerator and landfill corporation in southwestern Ontario does not have recycling facilities there. I'm sorry if I conveyed information that misled you on that.

What I was saying is that as facilities elsewhere across the province clean up the solvents, do the recycling, do the reusing and separate the products, what's left that has no further use goes finally for disposition to that facility in southwestern Ontario. That's what we check.

On the matter of used oil and Safety-Kleen and the regulations relative to used oil burners, I'll turn it over to my colleague. I will just say, and I note your comments about rural areas and the types of stoves and emissions that these can produce, there are some very dirty things in that oil. That's prompted us to enact the regulations that my colleague will speak to.

Mr. John Lieou: Mr. Barrett, in terms of the status of the burning of used oil in space heaters, let me just give you where things are at. The government amended the regulation that captures such practices—regulation 347 in

June 2007—to ban the burning of used oil in space heaters.

However, to your point, the ban does not apply to northern Ontario, in recognition of the fact that there are fewer options and so on for northern Ontario to get used oil to the recycling facility in Safety-Kleen and fewer options to recycle and then properly handle that material. It also does not apply to agricultural operations that burn their own used oil from their own machinery, which you were talking about. So it does not capture that.

There are also certain large industrial operations that may be approved to burn a specific type of used oils and other very specific types of waste-derived fuels. As long as they have the right approvals for those, then they're fine.

So the short answer, Mr. Barrett, to your question is that the practice will be banned. There's a phase-in period and the compliance will kick in in 2009, whereby in southern Ontario that practice will be banned except for those exceptions that I talked about: northern Ontario and agricultural operations.

Mr. Toby Barrett: Again, I can see where we're covered on these shops, and I'm thinking of the mechanic who does changes on oil, perhaps his antifreeze for that matter, or does grease jobs and doesn't use all of the grease eventually. He can't put it in the blue box. What are you left to do?

I know some organizations pick up batteries, if you can ever remember to put your batteries in one place and take them there. We know now that you can take your liquor bottles back somewhere—I think I did it once; oh, the Beer Store.

Mr. John Lieou: The Beer Store, yes.

Mr. Toby Barrett: My wife will not walk in the Beer Store, although she does like to drink wine. In a small town she won't go in the Beer Store. Again, that's not a hazardous waste.

What about so many people who have the shops, they have motorcycles, they tinker, they do change their oil and they grease their machinery? What do they do with it?

Mr. John Lieou: Let me note for you a program that the government just approved back in February, and the deputy mentioned it in her initial remarks. This is called the municipal hazardous waste or special waste program, whereby, for the types of materials that you're talking about—oil filters and containers and so on—there are going to be systems put in place to handle and recycle them properly. For example, a small garage that generates those types of waste can take advantage of this program, to have the material actually go into a collection system that takes them to the recycling places. It was approved in February and is expected to be in operation by July 2008.

1400

Mr. Toby Barrett: So an individual homeowner would probably drive somewhere at certain times of the year and drop it off, through the municipality?

Mr. John Leiou: That's right. The program details are being established right now. So presumably a homeowner will, in the future, have more than one possible option to take their materials to. For example, municipalities will have depots where you can take materials. There's also work under way to try and get some retail store take-backs. I don't want to mention brand names for the record, but a hardware store that sells oil, for example, may actually be a take-back depot where you can take it back for recycling purposes, or maybe even a gas station.

All those details are being worked through right now by Waste Diversion Ontario and the industry funding organization. The good thing about this program is that all the handling and all the costs of recycling and so on will be borne by industry.

Mr. Toby Barrett: The way that oil is marketed, usually in small, one-litre containers: People obviously aren't going to put the used oil back in the one-litre containers. I think you can perhaps purchase plastic containers, or would other jugs be allowed? How would you, as an individual homeowner, take your used oil in? It would be awfully messy—the same with antifreeze, for example. I'm just afraid it's a lot easier to dump it on the brush pile or—

Mr. John Leiou: Antifreeze is also covered under the MHSW program.

Mr. Toby Barrett: Again, if it came in a nice, clean container and you dump it in your engine, but when you drain underneath—I'm talking about someone who lives in a—

Ms. Andrea Horwath: I used to do it all the time.

Mr. Toby Barrett: Many people do, and we probably don't know where it goes.

Mr. John Leiou: For small generators like homeowners, individual people who may service their cars and so on, the really important thing in all this is to make it easy for individuals to be good environmental actors. That's why we have specified targets in the program, to set up opportunities for people to bring back the materials. We encourage retail take-back and so on. So this is all according to our principle of making it easy for individuals to be good environmental performers. We have clear targets in the program for expanding the number of access points for people to go to. We also have targets for industry to make sure that they actually get to some specified depth to the performance measures in terms of what we want them to achieve in collecting and recycling. I think what we have asked them for is that—Ian, correct me if I'm wrong—by the end of three years, the actual materials recycled will be doubled from where they were.

Ms. Gail Beggs: Ian Parrott has a little bit of extra information, Mr. Barrett, that I think might be useful: the point you're making about the ease for us as laypeople to take those hazardous wastes back properly. One element of the program I think is designed to address just that.

Mr. Ian Parrott: I have a couple of points to add. One is that the program is designed to inject new re-

sources into the whole program to enable people to invest in new technologies, so other technologies to receive this type of waste and proper management will be allowed to be established.

The second thing is that there is a component of public education about this so that people are aware of it and know how to do it and how to access the programs. As Mr. Lieou says, make it easy and accessible for people to use. That's the key.

Mr. Toby Barrett: Just going back to Clean Harbors, we know that a significant amount of the product that goes in there comes from across the border. I understand that in the United States—and this would go back through the 1980s, just from looking at this briefing—there's a pre-treatment requirement. I suppose that's a federal requirement. We haven't had that in Ontario. We will have it eventually. I'm just wondering why we haven't had that since the 1980s, as in the United States. Has that got anything to do with the fact that—I suppose it's under NAFTA—most of what goes into that facility does come from the United States?

Ms. Gail Beggs: Maybe I'll start with just a little bit of general information that I think is useful context-setting. Then, John, maybe a little bit of the history of regulation, where we've been and why, would be useful from you.

On an annual basis, our data in the Ministry of the Environment says that we generate in Ontario about 340,000 tonnes on average of hazardous waste. What was interesting to me when I looked at the statistics was that we actually have imported into Ontario from other jurisdictions about 155,000 tonnes of hazardous waste, and we export from Ontario 154,000 tonnes of hazardous waste. So we actually send away about equal to what is imported in Ontario.

It doesn't address, Mr. Barrett, specifically the facility that you're talking about as a depot for hazardous waste from the United States, but it was news to me that it was about equivalent, what comes in and what goes out. I think those are important facts for us to understand as context-setting.

John, can you talk a little bit about the history of our regulatory requirements and whether or not that impacts on import or export or if we know that?

Mr. John Lieou: I think Mr. Barrett is right in that the regulatory schemes existing in Ontario, say in the 1990s, were different from those required in the US. That may or may not account for US decision-makers, companies that decide to ship waste into Ontario.

But I think the important thing to note is that changes have been made to regulation 347 to make the standards equal. So, by and large, we're harmonized with the US EPA requirements on the disposal of hazardous waste. Hazardous waste moves across North America because of the integrated nature of our waste management industry and, as you noted, the proximity of some disposal facilities across the border and so on.

You mentioned the role of the federal government. Let me just clarify that Environment Canada is responsible

for regulating the import and export of hazardous waste. But it is the province of Ontario, through our own Environmental Protection Act and regulation 347, that maintains the actual regulatory framework that governs the management of hazardous waste in Ontario, including waste coming in from other jurisdictions. I just want to make the point that now that regulations are harmonized and standards are the same, whether waste comes in or goes across the border mainly comes down to location, economic decisions and cost. So the bottom line is that the regulations are the same now, and we're harmonized. There's no longer any incentive to send waste into Ontario because of disparity in standards.

The Chair (Mr. Norman W. Sterling): I'm going to go to Ms. Horwath. We'll come back around.

1410

Ms. Andrea Horwath: I just wanted to go back to some of the questions I was asking before, because it was my understanding that there wasn't an expected increase in incineration in the province as a result of regulation 347 or the new land disposal regulation, whatever it's called—the land disposal restrictions. But the Environmental Commissioner's report says quite clearly on page 71, and I'm going to read it, "According to the ministry, the program," the LDR, "should reduce both the concentration and quantity of organic hazardous waste going to landfills, because pre-treatment by incineration reduces the volume of the waste. The volume of inorganic wastes sent to landfills is expected to increase, however, since pre-treatment methods such as stabilization and immobilization require the addition of substances, increasing waste volumes. One negative impact anticipated from the additional incineration" that flows from the stabilization process "is an increase in the emissions of toxic contaminants and greenhouse gases to the atmosphere."

I think it's important to note that the Environmental Commissioner of Ontario is indicating that there will likely be increased incineration of hazardous waste to try to deal with some of the pre-treatment initiatives, and that that has implications. Notwithstanding the response before—I don't know whether you want to add anything to that—I think it's important that this committee have an understanding that there is concern out there, particularly from our own Environmental Commissioner, around the effect of increased incineration of hazardous waste, and that as a result many people are concerned about that and want the ministry to look at those standards and improve standards of incineration because of these particular implications. I don't know if a response is necessary.

I'm going to put one more thing on the record, if I may. My understanding from the same report, on the very next page, page 72—they're talking about the quantity and type of waste and the treatment that's required in regard to the generation of hazardous waste. This particular paragraph, again from the Environmental Commissioner's report, states: "The ministry estimated this would cost generators approximately \$30 to \$50 million per year, and that most of the impact would be felt by the

6% of generators that produce 85% of the waste. MOE included a 'small quantity exemption' to reduce the impact on small generators."

It goes back to my question about dry cleaners and small operators. Are those people exempt because they're small-quantity generators, or are they not? I'm just trying to get some clarification here. Perhaps the regulation covers off everybody in broad strokes, but who are identified as being small-quantity generators in the province, or who would qualify for the small-quantity exemption? That's just to clarify the two other points from before. I don't know if there's any addition you want to make.

Ms. Gail Beggs: John, I'm going to ask if you have any comments that can help with clarification.

Mr. John Lieou: No, I don't, Deputy. I'm not familiar with the section Ms. Horwath was quoting from.

Ms. Andrea Horwath: It's not from the auditor's report; it's from the Environmental Commissioner's report. But it speaks specifically to the issues I raised around an increase in incineration. I wouldn't mind actually getting some kind of response.

Ms. Gail Beggs: We can do that. I will undertake to get back to you in writing by the end of the week.

Ms. Andrea Horwath: Sure, and who is covered under that small-quantity exemption would be very helpful.

Ms. Gail Beggs: Let me just check whether we know who in here is covered by the small-quantity exemption. Maybe we'll just check if we've got that data—

Ms. Andrea Horwath: Even if it takes some time—

Ms. Gail Beggs: If we don't, we will get back to you in writing on that as well.

Ms. Andrea Horwath: Fine; that's helpful.

Ms. Gail Beggs: We'll follow up.

Ms. Andrea Horwath: Okay, that's great. I just want to go back—it had a little bit to do with some of the comments by other members, and I think, as well, what you were saying about proactivity, Mr. Lieou: the fact that we have to be more proactive as well in terms of reducing the use of materials that generate hazardous waste and such. Is there an actual strategy or plan that says, "Here is the hazardous waste reduction strategy that the ministry has," or is it, at this point, kind of industry by industry, producer by producer? Can I get an understanding of that?

Ms. Gail Beggs: Maybe I can start with some general comments, and then we'll see if any of the ADMs can supplement. I think Mr. Lieou began by acknowledging that we've been asked by the government to develop broadly a toxics reduction strategy, and a lot of what is classified as hazardous waste would also be called a toxic for the purposes of the toxics reduction strategy. So we are in the beginning stages, in the ministry, of evaluating what's done in other jurisdictions, thinking about policy proposals: We'll be bringing forward, as part of an initiative that the government has asked us to bring forward, a toxics reduction strategy.

We anticipate—and this would be pending approval by the government and, if there is legislation associated with this, approval of the Legislature—that the implementation of a toxics reduction strategy would reduce the amount of toxic material, and hence hazardous waste, generated because we would anticipate that part of a toxics reduction strategy might focus on a shift to alternative, non-toxic substances used in our everyday lives and in our commercial sector. There is a whole area of chemistry developing: academics doing research, and some companies are beginning to work in what's called green chemistry, and it involves substitutions of non-toxic or less toxic material in manufacturing processes. So I think we're forecasting that if we are effective in the development of our toxics reduction strategy, it will have an impact on reducing hazardous waste. So that's one area.

The second area that I can comment on: The Auditor General did make some findings with respect to the lack of adequate performance measures for the hazardous waste program generally, and I did mention in my opening remarks that we have within the ministry a review of our hazardous waste program, and one of the things that we are very mindful of is that constructive critique around measures. Our review is in the preliminary stages, but we will be looking to establish better performance measures, which may go to the issue you're raising: Are there targets or goals or ways to reduce hazardous waste in the province?

The third area I'd draw to your attention is one that we just spoke to when we were addressing Mr. Barrett's question around municipal hazardous and special waste. There are very specific targets in that program to reduce municipal hazardous and special waste, and I think the goal is diverting the waste, improving—doubling, is it?

Mr. John Lieou: Doubling.

Ms. Gail Beggs: —in five years. It's a bit of a piece-meal answer, but I'm talking from the very broad to the program-specific to a smaller component of the program in answering it.

Ms. Andrea Horwath: Do you have a timeline on the toxics reduction strategy—when that might be expected to be? Does that go on the EBR?

Ms. Gail Beggs: It will go on the EBR. I think our goal will be to have something available for public input in the fall of 2008.

Mr. John Lieou: In the fall, yes.

Ms. Andrea Horwath: There are a number of issues that I think have been raised and have been touched on in terms of the plan for—I really value the description that was given as a result of Mr. Zimmer's questions in terms of the specific missing waste, and I think it was interesting to hear all of that.

Maybe I missed it, and if I did I apologize, but I don't know that we got a sense of the ministry's final timeline on having a system that we're completely confident about in terms of inputs and in terms of, at the end of the day, having all the information that we need to have, so not only the manifest issue and how all that goes through

the process, but ensuring that the information we have is utilized to its greatest capacity. I guess, even in the response to the Auditor General's recommendations, there's no real nailing down of how to get this system where it needs to be so that everyone has confidence in it. I'm wondering if you could tell me if there is something that's planned that will get us there and what the timelines might be.

1420

Ms. Gail Beggs: I'll start. I just want to make sure I'm completely understanding your question. When I think about a system that we're completely confident in, I think about the whole system to manage hazardous waste in the province.

Ms. Andrea Horwath: I was thinking particularly about the tracking of hazardous waste.

Ms. Gail Beggs: Okay. I would say that we have in place today, with our hazardous waste information system and the kinds of improvements we've made, both because of our commitment to continuous improvement and because of the observations of the Auditor General and his and his staff's suggestion, a system that is functioning very well and that we are confident in today. Does that mean we can't improve it more? No, we can, and as part of our review of the whole program, we're also looking at the hazardous waste information system.

I spoke to one of the areas that we think would help to improve the system, and I just want to be clear about how it would. We talked earlier about the potential to have electronic submission of data around manifests from receivers and carriers. We get that information now. We upload it as soon as we have it. But what electronic manifesting would do, if we move in that direction, is give us real-time data. So it isn't that the system doesn't have the information today. The improvements we've made to flag the discrepancies mean it's operating very effectively, but it could operate more efficiently if we were to go to something like electronic transmission of information because it's real-time. But I was very careful when I talked about that balancing—

Ms. Andrea Horwath: You talked about the sweet spot.

Ms. Gail Beggs: —of what a large company might be able to do versus a small company. Whatever improvements we make, we want to ensure that the whole fabric, the integrity of the fabric, is maintained and we don't drive people who are currently above ground underground because they can't afford to implement our improvements. My summary is that we're confident in the system. We're continually improving it. One of the improvements we're looking at, and we're discussing a pilot now with large industry, is electronic transfer of information. Not only is it real-time, but it would also reduce such kinds of transcription errors that Michael talked about, where someone reading a paper manifest and entering it in the system can't read the handwriting. It's like doctors and prescriptions, I think—the same sort of issue.

Carl, do you want to add to what I've said?

Mr. Carl Griffith: Only that I'd like to convey to the committee that because of the improvements we've made today, we're becoming much smarter. There's much better intelligence of data that we can now gather from the system, and we can ask smarter questions and be able to target our compliance and enforcement and our outreach from that information. I think, as the deputy said, we will always be moving forward, but we're moving forward in a strengthened position because of the changes we've already introduced that will help us make even better changes moving forward.

Ms. Andrea Horwath: So what about public access to this kind of information: Who's generating hazardous wastes and what volumes? Is there a public—I guess you could pay a fee and get that information. I guess in other jurisdictions like the States, there is actually a kind of Internet-based or Web-based place where you can just go and look it up. Are there any thoughts of moving to a more—I raise it because I think that it'll help with that other issue of encouraging reduction of hazardous waste. It might be a deterrent to companies to have their volumes posted, and it might be an incentive to help them focus on reduction of production of hazardous waste if their volumes get posted and people start saying, "Gee, that's not really the kind of corporate community partner we want to necessarily be supporting when we buy our tires." Do you know what I'm saying? Any thoughts about that?

Ms. Gail Beggs: Maybe I can just talk a little bit about some thinking that we did in the ministry in that interregnum period, when many of you in this room were out door-to-door canvassing for election or re-election.

We took some look at strategically what kinds of directions we wanted to take the Ministry of the Environment in. One of the areas that we felt was an area where we needed to move more comprehensively in the ministry is the area of public reporting and transparency and accountability. That's generally in all of the programs that we run. So we do have now some very good public reporting and transparency mechanisms in the ministry. We issue annual reports in areas like drinking water, and we have long-standing air quality indices and sport-fish monitoring programs, with the information public. But a more concerted thrust is needed across all of our programs.

I mentioned in my opening remarks that we're currently reviewing our hazardous waste management program internally. We're looking at exactly that issue and how we might move on that continuum. So as a general principle, our ministry is committed to that as a philosophy. We know we need to improve, and we're looking specifically at how we may improve in our hazardous waste management program as an outcome of the current review we're doing in the ministry.

Ms. Andrea Horwath: I have one last question. We know that there's a designated hazardous waste landfill in Sarnia, and that technically all hazardous waste is supposed to go there. So can you talk to me a little bit about monitoring of other landfills, particularly private

landfills, and how often they are monitored? Are they checked to see that hazardous waste isn't put in the wrong place? Because I'm sure it's cheaper to try to landfill something at a non-hazardous-waste landfill than it is at a hazardous waste landfill. What's the mechanism and what's the frequency of inspection or of monitoring and when that gets done? What kinds of volumes get looked at in terms of what's going into the landfill? Could you give me an understanding of some of that?

Ms. Gail Beggs: I'm going to turn this over to Michael Williams.

Mr. Michael Williams: We have a number of ways of checking what goes into landfills in Ontario. You heard me mention earlier the facility in southwestern Ontario; it has a dedicated landfill inspector. There are a number of large landfills in Ontario where we are putting in dedicated inspectors. We do that through a series of daytime inspections, where we want to talk to the site manager, we want to look at what's going in, and we want to take a look at the trucks. If necessary, we'll take samples, and we'll send them away to laboratories to make sure that we know what's in those trucks. We did that as part of our exercise here looking at hazardous waste and where it was going. We actually took 20 samples from trucks going across the province moving waste to make sure we knew what was in it and where it was going to.

Landfills in Ontario are required to submit annual reports to us, which we line up and which our staff review. We take a look, and if we identify any potential issues with that, we refer them to the inspectors who are working on those landfill sites. As I say, with the large ones, we've got probably five or six full-time dedicated inspectors just at those facilities. The rest of the landfills are all managed across the province through our district and area offices. There are 22 of them, and they have environmental officers there who, as part of their regular duty, go in and check what's coming into that landfill, what's being received, and make sure that there's nothing getting in there that shouldn't be getting in there.

1430

We also have a program that we've done with our investigation and enforcement branch where we've done border patrols, and we've worked with the United States Environmental Protection Agency as well as Customs Canada. We've gone into the four border crossings and we've checked trucks there. We want to check that to see what's destined for Ontario, and also what's leaving Ontario, so that we're able to ascertain that the waste is correctly manifest and it's going to where its final disposition is.

As well as that, what we get, and we get this actually used with fair frequency: We have a tips line; it's called 1-800-MOE-TIPS. That line is monitored 24/7 and it's run through our Spills Action Centre, which again is another check and balance in the system where, if the public suspects there's something untoward going on out there, we will get calls coming into that line or coming through the Spills Action Centre, saying, "I observed this truck," or "I was a construction worker on this facility,

and my boss told me that this stuff blah, blah, blah." We follow up on each and every one of those. We get incident reports through that, and they're in the order of thousands a year that we check on.

I can also tell you, relative to stuff—your question was specifically about landfills, and we've got a lot of good checks and balances about landfills, but there is the potential for people to go and dispose of something in a farm building in rural Ontario. I can tell you that I personally took a call a couple of years ago from a complainant telling us there were barrels being disposed of on a farm property in eastern Ontario. I got the staff to take a look at it, picked up the phone to our regional district office and said, "Go out there and get it." We went out there, we actually dug it up, we sampled it and we made sure it was properly disposed of.

The other thing that happens with a lot more frequency than you perhaps might think, and you yourself had noted, is that in this business there are a number of key players that move about 80% of the product. So industry desires a level playing field. They don't take very kindly to folks who aren't playing by the rules of the game. What we do is, from time to time we send our sector compliance branch out to do blitzes across the province, just to move in in a targeted fashion to make sure we know what's going on either at a landfill or at a facility. For example, we did that a couple of years ago with body shops and wrecking yards to see where the antifreeze and the oil that Mr. Barrett was talking about was going in to make sure it was properly disposed of.

So we, through those blitzes, do a lot of work out there too to make sure that things are happening appropriately. So there are a number of different ways that we know where it's going and what's going on.

Ms. Andrea Horwath: So it's part of your regional inspectors' job to monitor the landfills in their area, right? We have the regional office in Hamilton, and there would be somebody monitoring the Taro landfill site, for example.

Mr. Michael Williams: Yes. There are two things that happen with that. The regional office has our units, what we call our technical support units, and they're science-based. So if we need to undertake sampling or we need to look at records and analyze those annual reports that come in from landfill, it will go to our science specialists in those units who can match up what the landfill is authorized to take versus what's being reported coming in. The district offices have our environmental officers. There's one of them in Hamilton too. Hamilton has both a regional office and a district office. It's those environmental officers, as well as our technical support staff, whom I referred to earlier, who live in the communities; they know—the Taro site has a full-time dedicated inspector too, by the way. But it's those staff who are in those communities. They know exactly what's going on with those landfills. We can form teams and go in there and target it, and we do surprise inspections too from time to time.

Ms. Andrea Horwath: I asked because this came up in Hamilton with Taro, and whether or not hazardous waste had actually been inappropriately or wrongly dumped in that. I've never represented the area where that landfill sits, but I do recall that there was lack of clarity around what happened, what didn't happen, was it hazardous or wasn't it, was it removed or wasn't it? I don't know if you can update me on any of that.

Mr. Michael Williams: We issued orders. In the case of that particular thing, there were a lot of allegations around what was in there and what wasn't in there. In the final analysis, if my memory serves me correctly, we had samples and we had them looked at to make sure inappropriate wastes weren't going in there. We looked at the definition of certain types of waste, because sometimes the public or a complainant will think that this is really bad stuff that shouldn't be going in there, and you take a look at it and you go, "No, it's allowed to be in there under the certificate of approval." So we did a lot of work in conjunction with our environmental science and standards division, relative to the science and the monitoring piece of it, to prove that that landfill was safe and it had the appropriate—

Ms. Andrea Horwath: So there was no indication that there was anything in there that needed to be removed or that was inappropriately put in there. Is that—

Mr. Michael Williams: I'd have to undertake to get back to you on the specific results of it, but I remember at the time a few years ago we were dealing with it that the conclusions we drew were that the landfill had appropriate materials going in and that there wasn't a problem with respect to the allegations of hazardous waste.

Ms. Andrea Horwath: But if you would have found—not in this specific area; I'm not talking about Taro specifically. But if it's found to happen, that there is inadvertent or inappropriate landfilling of hazardous waste, what's the result of that?

Mr. Michael Williams: It wouldn't be staying there. It would be removed at the expense of the person who owned the landfill or the proponent, or if we could find the person who put it in there. We'd go after all of them until we got it out.

Ms. Andrea Horwath: That's helpful.

Mr. Michael Williams: We don't want that liability.

Ms. Andrea Horwath: Interestingly, these little nasties that you keep saying in rural Ontario—let me tell you, in downtown Hamilton I've come upon a few myself. I might actually be calling the ministry to talk to you about that at some point. It's quite scary what's out there, and where it is.

Mr. Michael Williams: I think that's why it's important that we do advertise quite heavily the Spills Action Centre, the 24/7 line. We get, not just from rural areas but from urban areas, a lot of calls. We had a call from your part of the country last night, actually, at our Spills Action Centre, with what some citizens were seeing. That gives us, I think, a fair degree of confidence that people understand that the system is there, and certainly people have demonstrated that they'll do that.

Just from memory, we get over 30,000 or 40,000 pollution incident reports a year that come through the Spills Action Centre, and we take action on everything that comes in. So it's a pretty good system of checks and balances.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer—I'm sorry.

Mrs. Liz Sandals: I think it's Mrs. Albanese.

Mrs. Laura Albanese: Some of my questions have been answered through the answers you just gave to my colleague. But I had some questions about the PCBs that we have in storage in Ontario, specifically about this stockpile of PCBs. When do you think we'll be able to get rid of it?

Ms. Gail Beggs: Maybe I'll start. Michael, you may want to fill in where my memory fails me.

We have proposed and been funded by government to develop a plan to deal with a very large PCB storage site in southwestern Ontario. The government's given us funding to move ahead with that. Our goal is to have the storage of PCBs at that site cleaned up in the course of the next two fiscal years—let me just think here—by December 2009, that calendar year. That's the funding that we've proposed to government. It's over two years.

That site has, just to be really clear for the committee, contaminated soils stored at it, so it's not actual raw PCB oil, but soils from a historic industrial site. I also would like to be really clear for the committee—and I know Michael can fill in the details here—that they are now well stored. We have had, over the time of storage, an intensive monitoring program looking at the storage on-site, ensuring that there is not a community risk from the actual storage of the contaminated soils.

Michael, do you want to just fill in any detail that you think the committee would be interested in?

Mrs. Laura Albanese: And also, if you could, elaborate on how it gets disposed of—where or when.

Ms. Gail Beggs: Okay. That's still a pending decision, but Michael can tell you how we're evaluating that.

Mr. Michael Williams: The site that's down there contains approximately 78,000 tonnes of PCB-contaminated soils, as the deputy has said. It's all mixed in. It was removed from a series of industrial properties in the 1980s and it was put into what we call a containment facility. It consists of about four cells, four units, and they were specially constructed to contain that waste, because at the time, there wasn't any practical, known way to go about destroying those PCBs. There is now, in the intervening period. We spend about \$32,000 a year for site security and monitoring on that. There are monitoring wells on it, there's a sampling program, so we know exactly what's going on with that site. It's about 11 acres in size. There is a combination of clay liners as well as synthetic liners around it. So we know that site is safe and secure.

1440

As our deputy mentioned, we're going to undertake a project to have those soils tested to determine the amounts that are in there, because there are different

disposition methods, depending on the amounts that are in the soil. We think there are some parts of that site where the soils will be heavily contaminated and where we'll need special precautions for destruction. We think that it's likely that there will be a very minimal amount at other parts of that site. We'll be doing the testing as we dig it up, throughout the project, to see where it's going to go.

In terms of destruction of that material, we are going to put out a request for proposals very shortly, to entertain proposals on how best to approach that project and what the cost might be to government and where final disposition could be. Currently, there are a number of different avenues for final disposition of PCBs to have them destroyed. They can go to a site in Alberta—you may be familiar with it—called the Swan Hills facility. It's fully equipped to destroy PCBs. They can go to Quebec. Or, if there's interest, there may be some people across the border, in the United States, who would like to bid on the particular project. There's been no decision made by us. We're strictly interested in calling for proposals to see what bids would come in, how people would propose to deal with the project and how they would ensure that any of the wastes are safely excavated, properly tested, and then, finally, properly disposed of.

Mrs. Laura Albanese: My understanding is that Ontario stores about 90% of the PCBs nationally. Is that correct? Is it all in this one location that you—

Mr. Michael Williams: No. The records I have show that there are about 110,000 tonnes of PCBs in storage in Ontario, and the latest time that we had for getting that, I believe, was at the end of 2006. That's the most up-to-date information that we have. Of that, we've got 78,000 tonnes in the Pottersburg Creek situation. So you can see that the bulk of it does belong to Ontario. There is another PCB storage site up in northwestern Ontario, in Coyle township, near Kenora.

Some members may recall that a number of years ago there was a transport truckload of PCB-laden material that had dripped down onto the asphalt—I'm going back many years now—and our colleagues at the Ministry of Transportation, in looking at how best to deal with that, actually dug up the road, gathered all the asphalt together and sealed it. It's sealed in a plastic liner, very much like zip-lock bags, to be perfectly frank. But it's very, very low-level, and in fact it probably won't require anything else to happen to it.

So those are the two areas that the province of Ontario has. The rest are very small. Some electricity facilities, for example, might have old transformers, those green or grey cans that are on top of the hydro poles. During the period of the 1960s and the early 1970s, there were PCBs used as coolant materials in those. They've got some of them in storage, and as opportunities arise, they go and deal with them. There are approximately 500 or 600, very low levels like that, that are in the broader public sector or in companies across Ontario. But you're correct: The bulk of it is in those two sites in Ontario, and Pottersburg is the big one.

Ms. Gail Beggs: I think you're correct. I believe the Auditor General mentioned in his report that we have about 90% of what's stored nationally.

The Chair (Mr. Norman W. Sterling): Can I just ask a couple of questions here, with the indulgence of the committee? The auditor said that less than 1% of the manifests were being put into the system by the electronic system. Is it any better than that now?

Ms. Gail Beggs: No, it's not as good as the auditor found when he audited. The generators register most of them, 95% or 99%, electronically, but the manifests, which are done by carriers, are almost universally manually submitted.

The Chair (Mr. Norman W. Sterling): Is there any reward for the very small number who actually use the electronic manifest? In other words, they may have to go through some training for the drivers etc.; there's no carrot?

Ms. Gail Beggs: Is there a built-in incentive in the system now? I think not an explicit incentive. Perhaps the implicit incentive is that you don't have errors and the ministry hounding you when we can't read your manifests or following up with inspections or investigations on the strength of improper submission of material. But there isn't an explicit incentive built in.

The Chair (Mr. Norman W. Sterling): What is the cost to the ministry for the inputting of the paper data into the system?

Mr. Carl Griffith: Thank you for the question. There are about 22 staff who are involved; I believe 15 are involved with actually having to handle about 2,000 pieces of paper a day that come in. They have to take that and run it through one system and be able to upload it into the other. I will say that we have made some investments so that that process is faster and easier now.

The Chair (Mr. Norman W. Sterling): But what would the approximate cost of 15 staff plus whatever combination—

Mr. Carl Griffith: We spend on salaries about \$1 million a year, but that includes some supervision and helpdesk staff as well. I don't have the exact figure for the 15 or those who would be involved.

The Chair (Mr. Norman W. Sterling): If the same things happened that the auditor identified in his audit, would they now be identified by the ministry as problems? In other words, would they show up in your database somewhere, and how would they be brought to the attention of—I guess it would be Michael's area. Would it be Michael's area? How would he know that there was a shipment of very toxic material that went astray?

Mr. Carl Griffith: Thank you again for the question. The system will flag any area of non-compliance. If a generator hasn't registered, if a carrier is unauthorized to pick up a certain type of waste and they pick it up, then when we receive that manifest, it is automatically flagged in the system, and an exception report is produced. Those are then forwarded on to operations for follow-up.

The Chair (Mr. Norman W. Sterling): In other words, if the auditor goes in a year from now or the year after for his two-year checkup, he's not going to have any of these kinds of criticisms of the system. Is that correct?

Mr. Carl Griffith: I don't want to prejudice what the Auditor General would find—

The Chair (Mr. Norman W. Sterling): I know you wouldn't do that.

Mr. Carl Griffith: The same type of occurrences—some companies not registering on time, some companies shipping wastes prior to actually registering—those types of incidents are still occurring. I can tell you that the trends are downward on that, but that type of non-compliance is still occurring.

Ms. Gail Beggs: But the flags for follow-up are in existence now.

Mr. Carl Griffith: Yes.

Ms. Gail Beggs: And I think it goes back to some of the earlier discussion we had. Could it be improved? Yes, we still think there is room to grow on this system and are reviewing it as we speak and hope to continue to make improvements.

The Chair (Mr. Norman W. Sterling): How can it be improved?

Ms. Gail Beggs: One of the areas the we focused on and the Auditor General mentioned is the idea of electronic manifests. Carl's staff are in discussions now with the large carriers—I think there are about five of them—to see if we could put in place a pilot project to get electronic transfer of information. That means more real-time data, plus the potential for transcription errors—a more efficient system. Carl, do you want to comment?

1450

Mr. Carl Griffith: One easy one that we are looking at is when a generator registers to get a generator number. Right now there's no yearly flag on that, so when a carrier would come and pick it up, the generator may not have re-registered on that day—they should have—but they still have a generator registration number. If that number had a year flag on it, the carrier should automatically recognize that in fact the generator has not re-registered and tell that generator to do it right now before the waste can be picked up. Those are the types of things that we're looking at to constantly move forward to reduce the number of non-compliants.

The Chair (Mr. Norman W. Sterling): Do you have the legislative or regulatory power to penalize late filers and to penalize or take to court people who are operating without filing?

Mr. Carl Griffith: If a carrier is not authorized, through their certificate of approval, to pick up certain types of waste, the full weight of the Environmental Protection Act and all the penalties included therein can absolutely be brought to bear.

Ms. Gail Beggs: We're just checking with staff, though, for the specifics of your question about whether or not a generator complies with registration and whether

there is a penalty provision or not. I just want to make sure that we're accurate in the detail we give you on that.

Mrs. Liz Sandals: While they're looking at it, could I ask another question which is related?

The Chair (Mr. Norman W. Sterling): Sure.

Mrs. Liz Sandals: Because we've been talking about the electronic manifests—and I take it from your opening remarks that you're reviewing the fee structure to look more at cost recovery—would it be possible to charge a differential fee for carriers, depending on whether they are entering electronic manifests or paper manifests? That would create the sort of incentive that Mr. Sterling was talking about.

Ms. Gail Beggs: I think that is a good idea, and if we haven't considered that in the program review as a consequence and outcome of this committee, we will look at that. It provides the carrot, I think, and may work. Again, we just want to make sure that it doesn't interfere with everyone working within the rules and looking at ways of bending around. But on the surface, I think it has merit.

The Chair (Mr. Norman W. Sterling): Your certificates of approval process for these kinds of carriers was criticized in the auditor's report. How have you met that criticism?

Mr. Michael Williams: It was criticized, and justifiably so. We had a backlog in the certificates of approval application process. What we've done is we've put in place a blitz with our review engineers. We've essentially triaged every one of those approvals that was outstanding. The backlog, I'm pleased to report, is now cleared. It's no longer in existence. We put together a project team and just said, "Let's get this stuff done." Currently, where we get a complete application, we're operating in about a 90-day turnaround time. The Auditor General pointed out that our internal documents from previous years were—it would be great if we could turn these things around in 50 days, and I think, on average, they were 120, and some had gone years.

I would like to point out that we've put new guidance material in place for industry. We've said that we're not going to accept substandard applications. If there are problems or deficiencies with the applications, we're not going to let them sit around on our desks; we're going to return them. We're going to close the file on them.

Also, the Auditor General was quite helpful in pointing out the gains that can be made by the use of third parties to certify the quality of information in applications. That's something that we're very interested in exploring, because we want to see if we can help streamline some of the process and save some of the review time on that. We would need to work with our colleagues in the policy division on that, to make sure that we had the legislative and regulatory authority to do that, because in many cases there are some changes that you need to do. You just can't do that in terms of, from my end, an operational policy decision, just to say to our review engineers, "Hey, just accept what comes in from that." We will need to do some substantive work on that.

I am encouraged by the opportunities that that affords us, and that's under active review right now to see if we can get there. There are about, I think, 86 applications currently under review, so we've got them done. There are new ones coming in. We've got 86 active today.

The Chair (Mr. Norman W. Sterling): The last thing I would do—we're going to wrap up our hearings here in a minute—is invite you and your colleagues to write to the committee if there are regulatory or legislative weaknesses in terms of dealing with this issue. I think all members of the committee feel strongly that we would

like to assist you in drawing those to the attention of the government. So we want to be supportive very much in that regard, and supportive in the work you are doing to try to deal with this very difficult problem.

Thank you very much for coming to us today. We appreciate your presence and your forthrightness in your answers.

Ms. Gail Beggs: Thank you very much.

The Chair (Mr. Norman W. Sterling): We are adjourned.

The committee adjourned at 1455.

CONTENTS

Wednesday 7 May 2008

2007 Annual Report, Auditor General:

Ministry of the Environment: Section 3.08, hazardous waste management P-147
Ministry of the Environment

Ms. Gail Beggs, deputy minister

Mr. Michael Williams, assistant deputy minister, operations division

Mr. John Lieou, assistant deputy minister, integrated environmental planning division

Mr. Ian Parrott, manager, certificate of approval review section

Mr. Carl Griffith, assistant deputy minister, environmental sciences and standards division

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mr. Shafiq Qaadri (Etobicoke North / Etobicoke-Nord L)

Also taking part / Autres participants et participantes

Mr. Toby Barrett (Haldimand–Norfolk PC)

Clerk pro tem / Greffière par intérim

Ms. Susan Sourial

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services



**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

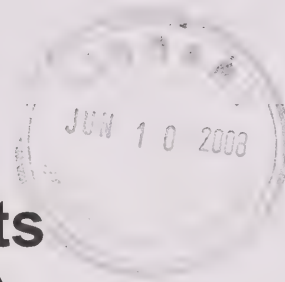
Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 28 May 2008

**Journal
des débats
(Hansard)**

Mercredi 28 mai 2008



**Standing Committee on
Public Accounts**

2007 annual report,
Auditor General:
Ministry of Training, Colleges
and Universities

**Comité permanent des
comptes publics**

Rapport annuel 2007,
Vérificateur général :
ministère de la Formation et des
Collèges et Universités

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 28 May 2008

Mercredi 28 mai 2008

The committee met at 1237 in committee room 1, following a closed session.

2007 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF TRAINING, COLLEGES
AND UNIVERSITIES

Consideration of section 3.14, universities—management of facilities.

The Chair (Mr. Norman W. Sterling): Perhaps we could invite our guests to sit. My suggestion would be that the deputy, Dr. Genest and one representative from each of the universities take a seat. If we need to interchange those seats, I'm sure everybody will understand and we'll play a little bit of musical chairs.

My name's Norman Sterling. I think this is the first time that we've had the opportunity to have universities in front of the public accounts committee of Ontario. As you know, the act changed two years ago to put universities, school boards and hospitals under our jurisdiction and, more correctly, under the jurisdiction of the Auditor General, Mr. McCarter. Therefore, we are reviewing his December 2007 report.

The committee has a hearing, and this hearing will be completed at least by 3 o'clock. It perhaps would be earlier than that time, depending upon the number of questions asked and the length of the proceedings. We, the committee, then prepare a report, making recommendations to the ministry primarily, but we may also make recommendations to you directly, the universities, or through the ministry, depending on the outcome of the hearings.

We've had a briefing session this morning with our researcher, Susan Viets, our Auditor General and one member of his staff, who specialized in this particular audit.

We hope that not only are we going to be perhaps critical, but perhaps not critical. We would perhaps ask for information. We may ask for future reports from the deputy or from the universities as to how they're reacting to the recommendations that the Auditor General has made.

Normally, we ask the deputy minister, Dr. Steenkamp, whether he has some opening remarks, and then after the opening remarks, I will extend that invitation to Dr.

Genest, if you have some opening remarks as well. Then we will ask questions after that of any or all of you. So I turn it over to you, Deputy Minister.

Dr. Philip Steenkamp: Thank you, Mr. Chairman. I want to thank the committee for this opportunity. Perhaps I could begin by introducing the people at the table here, beginning with Nancy Sullivan, to my far right, from Guelph university; Duncan Watt from Carleton University; Dr. Paul Genest, president of the Council of Ontario Universities; and Karen Belaire from McMaster University.

I have provided in advance a copy of a presentation that I understand the committee has reviewed. I'll just go through that at a very high level, perhaps to cover off the issue of the ministry's role in post-secondary, as it applies to this issue in particular.

The first point to make is that the ministry, obviously, oversees the overall structure of the post-secondary education system. It is responsible for providing operating and capital funding to both universities and colleges and establishing the provincial objectives for the use of those funds. The universities, though, are different from the colleges. The universities have significantly more autonomy. They are established by independent acts of the Legislature as independent bodies and they have responsibility for program delivery, the administration of the institution and also for prudent financial management.

To give you some sense of the financing, the ministry provides them with an annual general operating grant which represents approximately 49% of their revenue. So government is a major funder. Other sources of revenue include fees at 43% and other sources of funding at 8%. In 2007-08, the government had allocated just over \$3 billion in operating grants to the university sector, which was an increase of \$1.132 billion, or 59% over the operating grants in 2002-03. So there's been a substantial increase in operating funding.

In terms of the government's goals for post-secondary, and for universities in particular, three main areas are: access, in order to ensure that we have the policies and programs in place to promote access for all students but particularly students who are under-represented in the system; quality, to provide funding for the institutions to enhance the quality of their learning environment; and accountability, so that we can track and report on

achievements of the Reaching Higher plan, and report on individual institutional achievements as well.

The universities have worked with us to comply with the new tuition framework, which obviously addresses the issue of access, and also to implement a new student access guarantee, which guarantees students access to a post-secondary education. In terms of quality, one of the measures we are using—we require the universities now to participate in the National Survey of Student Engagement and the Consortium for Student Retention Data Exchange. This gives us a very good sense of the student experience at those institutions.

In broad terms, we have introduced a multi-year accountability agreement, which we've signed with each of the universities. The universities report out on system-wide measures and on institution-specific measures. I won't go through the Auditor General's recommendations because I believe you've had the opportunity to hear that, but I will talk in just a couple of minutes about the responses from the ministry to each of those.

I think the first comment I would make is that the ministry and the institutions really welcome the work of the Auditor General and the recommendations that have been made. We think these provide us with excellent guidance in the future. The universities generally agree with the recommendations and, I'm pleased to report, in many instances have taken action to address those recommendations as well. In other cases, they've indicated, of course, that implementation will depend on the availability of resources.

In the ministry, we believe that the report provides very useful recommendations that will improve the quality of information used in the maintenance decisions at universities and will lead to improved cost efficiency with respect, especially, to space utilization and physical plant operations. We will be encouraging all universities to implement these recommendations, not just the three universities represented here at the table.

If I could talk just in general about ministry actions to date: To assist the universities in providing an effective work and learning environment and to allow them to reduce the extent of deferred maintenance on their campuses, we were able to significantly increase capital funding to the universities in 2007. That included \$135 million that was targeted to capital projects in three areas: energy efficiency projects, campus safety and security initiatives, and the renewal of academic infrastructure.

In addition, there was \$264 million for 21 specific capital projects at universities across the province, mostly involving new construction, but also the renewal of existing buildings. Then, finally, at the end of the fiscal year, \$200 million for capital projects focused specifically on decreasing deferred maintenance levels and on renovations to increase space utilization as well. Similarly, there were investments made in the college sector, which I won't necessarily go into here.

We are also working with the universities on developing a comprehensive long-term capital planning process,

which is aimed at addressing the ongoing need for strategic capital investments across the system.

In terms of further actions, we have informed the universities of the 2007 annual report of the Office of the Auditor General and the recommendations made, via a memorandum from the assistant deputy minister responsible for post-secondary education division. That memorandum went out on May 15.

We continue to work with universities through the Ontario Association of Physical Plant Administrators to refine the methodologies and the models used in facilities condition assessment programs. There are some very good methodologies, I think, which the Auditor General identified, used in some institutions. We will play the role as facilitator in order to make sure that those best practices, in conjunction with COU, are used across the system.

We will conduct a follow-up survey in October of this year, 2008, to determine what progress has taken place regarding the recommendations made. As I mentioned, we will facilitate the sharing of best practices and encourage their implementation. The ministry will also be creating an inventory of current and future institutional capacity expansion priorities which will be assessed against strategic principles and criteria. We will be writing to institutions to request this information this summer.

I think I will leave my remarks there, because I know the committee is eager to hear from Dr. Genest and also to ask questions. In summary, we want to thank the Auditor General for an excellent report and some very useful recommendations. I also want to take the opportunity to thank the universities for a very constructive engagement, both with our ministry and with the Auditor General. As you mentioned, this is the first time that we are appearing in front of the committee on these kinds of issues. Thank you.

The Chair (Mr. Norman W. Sterling): I don't know whether to say I hope it's not the last. At any rate, Dr. Genest, we will—unfortunately, Deputy, we didn't receive the document you were referring to, but we're getting that copied now.

Dr. Paul Genest: Super. Many thanks, Mr. Chairman, and my thanks as well to the members of the committee for giving your attention to universities and to the fine work, quite frankly, that the Auditor General has given.

As mentioned, my name is Paul Genest. I'm the president of the Council of Ontario Universities. We're an organization that works on behalf of the universities in Ontario to develop common policies and advocate for the advancement of higher education in the province.

What I'd like to say first, if I may, is a few words regarding the Auditor General's report on university management. As we're all aware, this was the first value-for-money audit conducted in our sector following the expansion of the auditor's role, and his objective was, of course, to deliberate whether we had proper systems, policies and procedures in place to maintain our facilities cost-effectively.

1250

As you know, the auditor selected three universities—and my colleagues are here from those universities, McMaster, Guelph and Carleton—to do an on-site audit. In addition, he shared with the other 15 universities a detailed questionnaire that was responded to by all of them.

I'd like to just underscore how positive and constructive every university found the experience of working with Jim McCarter and his staff to be. One can imagine that an auditor on-site can be a bit of a scary experience. You don't know what to expect. What are they going to find? What is the attitude going to be? It was the opposite of scary. It was a constructive exchange. The feeling was that the auditor and his staff did a thorough and balanced job. They were truly attuned to the best practices in the industry, and they provided, I think, very good advice as to how we can improve our facilities management and the utilization of space. So we thank him for that and look forward to continuing that work, and kudos to your staff.

One of the major conclusions of the report was the recognition that universities had an increasing backlog of delayed capital projects or deferred maintenance. The universities' common capital asset management system concluded, as Mr. McCarter noted, that the backlog was estimated to be \$1.6 billion in 2006.

What we are talking about here are such mundane but really necessary aspects of our physical plant as worn-out roofs, outdated cooling and electrical systems and boilers that are in need of replacement or repair, as well as the purchasing practices related to getting this work done. One of the report's major conclusions is that the resources that we at the universities currently dedicate to these capital projects are quite simply insufficient to reducing the backlog of deferred maintenance projects.

The auditor did note with approval the open and competitive purchasing policies of the universities in the contracting of the work to undertake these projects.

The auditor also noted that we have appropriate systems in place for prioritizing projects, but indicated that these could definitely be improved to an extent.

The auditor provided guidance on how we manage data for our inventories on deferred maintenance projects, and it was noted that we could also improve on our approaches to the utilization of academic space.

I'd like to stress and put on the record that we welcome this advice and we accept his recommendation. The results of his study have been shared with the council of senior academic officers at the Council of Ontario Universities. These are our vice-presidents of finance and administration who oversee the management of capital plant. They are taking action, best practices are being shared and, as Deputy Steenkamp indicated, are looking forward to reporting back on the implementation of those best practices.

One of the really important aspects, if I may, of this exercise is that the auditor has effectively shone a spotlight on the issue of deferred maintenance. Roofs, boilers

and plumbing are not glamorous or sexy items, if I may speak that way. They are items for which it's difficult to fundraise. Philanthropists don't tend to want to affix their names to the roofs or the plumbing, as important as these things are. So if in our publicly funded system we're not getting the assistance from the government, we are in a bit of a bind. It's very difficult to raise that. These elements, of course, are all vital to the good functioning of our institutions and the health and safety of faculty, students and staff. In his report, the auditor noted that funding for deferred maintenance is currently \$26.7 million annually. The amount by industry standards is somewhat less than 10% of the industry standard.

But let me also put on the record that the universities have to give enormous credit to Minister Milloy and his team at MTCU for heeding the analysis of the Auditor General and taking very significant action in recent months. Between the end of January and through the 2008 budget, the government has committed some \$335 million in one-time payments to help universities address this backlog. This amount is 12 times the amount I stated above in terms of what we ordinarily receive in a given year. So despite the lack of glamour—I mean, it's not like opening a MaRS, a new wing at Robarts Library or a new hospital—the government took action and did the right thing here. So I would just like to say they really deserve our thanks and appreciation for taking this in hand.

But, of course, there remains more work to be done. As the auditor notes and as Mr. Rae noted in his report on higher education, funding for deferred maintenance truly needs to be put on a long-term, sustainable footing, reflective of the industry standards, about which Mr. McCarter speaks in his report. This is to ensure that we continue to deliver world-class education and support cutting-edge research.

The government has recently stated that its number one priority is this cluster of issues—innovation, training, higher education—and they are taking action on that. We are, of course, poised for growth. There are a great many more students who are going to be coming out of the GTA and other parts of the province. We need to deepen our commitment to research and innovation, and, as Deputy Steenkamp noted, we are actively engaged with them in a long-term capital planning process. But it's important to get the base, the foundation, the roof and the plumbing done, and that's what we're able to do with this really tremendous kick-start of funding that was invested under deferred maintenance.

We look forward to working with the government on the next phases and with the committee in terms of any call-backs you have.

I would like to say that my colleagues from the universities are here to talk to how they manage planning and administration. They could also, I'm sure, provide details of some of the deferred maintenance projects they're investing in.

The Chair (Mr. Norman W. Sterling): Thank you. Mr. Zimmer.

Mr. David Zimmer: My question has to do with the auditor's report on utilization of facilities, pages 324 to 326. The auditor talks about the average daytime utilization for classrooms being 58%, which was short of the 80% recommended target from the consultants; lab use is 22% of available hours—that's short of the 60% target; and the issue of the classroom pool being generally composed of rooms too large for the group size and so on. It's that sort of area that I have a question about. I know that the representatives from the universities here—for instance, vice-presidents of facilities management—are operating at that level.

It's my sense that the classroom allocation, classroom timetables and lab scheduling and all of that sort of stuff is operated, if you will, by the dean's office or the chairman of the department. I'm wondering what the management link is between the big office of the vice-president of administrative facilities and how you control or influence what goes on in the dean's office, in the department chairman's office and so on, where the rubber hits the road in terms of the use of these facilities. My sense is—and it's not a criticism; that's just the way it is. Some deans and department chairs are administrators, some are interested in their research projects and some are interested in lecturing. So how do you maintain that link if you're going to drill down and fix this underused facility issue?

Dr. Paul Genest: Mr. Zimmer, if it's all right, I'm going to invite Karen and any of my other colleagues to speak to—that's an important question, and I think fine details of administration I'll let them address.

Ms. Karen Belaire: First of all, the point that you raise is extremely valid. As vice-presidents of administration, we do not have control over the utilization of the space. Certainly our academic counterpart, the provost, will be the one who will manage that.

At McMaster University, there are some areas of the university that are managed and controlled centrally by the registrar's office. So we have good utilization data about those classrooms and those laboratories. For classrooms and laboratories that are managed directly within a faculty and by the dean's office, we do not have that utilization data. This year at McMaster, we are changing that model as a result of this report, and this summer the provost is leading an initiative to track all space on campus so that we will centrally manage and we will know the utilization of all space on campus.

1300

Mr. David Zimmer: So in a conflict or a difference of opinion between, say, the dean's office or the department chair level and the VP of administration overall, how is that tension sorted out? Who's got the hammer?

Ms. Karen Belaire: The hammer rests with the provost when it comes to academics and research at the university. I can honestly say that we don't have those conflicts, because in a student-centred environment, the goal is to manage the student's need, and that's what we focus on. So we don't have those conflicts.

Mr. David Zimmer: Just one short question to follow up on that. The auditor's recommendation number one, which generally dealt with decisions involving the maintenance of university facilities and the idea that those decisions should be based on adequate information and so on: He's got a couple of recommendations, and one of them was to institute periodic independent reviews to verify that the procedures met the intent of the faculty's condition assessment program. I note that while the three universities generally agree with that recommendation, one of the universities does not agree with that part of the recommendation dealing with the independent review of procedures in place. I'm just curious about what the rationale behind that position is—that an independent review is not something that the university can support.

The Chair (Mr. Norman W. Sterling): A point of order: Someone has their BlackBerry or a phone near the microphone and they're causing interference. I would just ask members to turn off their BlackBerries or phones while they're sitting at the table.

Go ahead.

Mr. David Zimmer: If it was mine, I apologize.

Mr. Duncan Watt: That was probably Carleton University. I'd like to just reiterate the comments of my colleagues that we found the Auditor General's process and procedures to be refreshing and very positive. It was our first opportunity to work with the Auditor General, so I commend them on their process for going through this.

I think the facility condition assessment program that Ontario universities instituted in 2001 of doing consistent, uniform facility audits is an absolute industry best practice. At Carleton, our practice is that we re-inspect 20% of our facilities each year. We use a third party contractor, consultants, to do those facility audits. So for us it costs us about 10 cents a square foot to do that, and it doesn't actually seem to us to be a particularly good use of our money to hire another auditor or another consultant to go back and re-audit the work that we're already paying a consultant to do. So we think that we are having an independent, third party review when we have the work done the first time.

Mr. David Zimmer: So you're okay with the independent, third party review? Your position is that you've already got that process in place—in effect, an independent review?

Mr. Duncan Watt: That's correct. That's why our comment in here—we didn't think it made sense to inspect it again.

Mr. David Zimmer: But you have no problem with the independent review?

Mr. Duncan Watt: Absolutely not.

Mr. David Zimmer: Thank you, Chair.

The Chair (Mr. Norman W. Sterling): Any other members? Mrs. Sandals.

Mrs. Liz Sandals: If we can talk some more about the facilities condition assessment program. I take it that you're all using the same software now. Within that same software, do you all use the same way of recording information and the same standards for what you're

measuring, or have you got the same software but still somewhat apples and oranges in terms of what you're actually recording? I'm just curious, because the fact that you have the same software doesn't necessarily mean that you're using the same standard. Or does this program, by definition, involve the same standard?

Mr. Duncan Watt: I think we're pretty good. When we acquired the software product in 2000, we required all the facilities staff from the 17 universities to go through training on how to use the software. We have a committee that oversees the work, that reviews the reports generated by each university. Each year we upgrade the training as the software product changes, or institutions will have questions about how to do or record something. I would never make the claim that the data's perfect, but I would state that it's pretty good.

Mrs. Liz Sandals: But you're recording relatively similar things?

Mr. Duncan Watt: Absolutely.

Mrs. Liz Sandals: That data you're all recording in relatively similar ways: How does that then help you to come up with a priority list of projects? If I arrive on Nancy's doorstep and say, "Here, we've got some money," how do you prioritize how you're going to spend that money? Are those similar processes or does that vary from institution to institution?

Ms. Nancy Sullivan: Maybe I could respond on behalf of the University of Guelph. We have a system we use internally, basically a risk assessment system to prioritize. The extent of the deferred maintenance on our campus has been assessed for every single building on the campus. We, then, have developed a 10-year plan, and prioritize based on—first items would clearly be health and safety, any municipal code issues, and we have responsibilities obviously in the area of accessibility. Taking all of those factors into account, the age of the building and the urgency of the situation, we then prioritize those projects and have identified which we would attend to in which period over that 10-year horizon.

We constantly revisit every year that list of particular projects because it may be that some other surprise has occurred on campus. We happen to have the oldest facilities of the entire university system, so from time to time there are surprises like steam lines that are quite old that suddenly aren't helping us very much. But we go through that re-examination, and I think the process is relatively similar to other institutions. The findings from the Auditor General, and we too found the experience very positive, were that perhaps the system we're using is a bit more evolved and it could be taken as a best practice for other universities in the system because, just a reminder, this report applied to all the universities, not just the three that were visited.

Mrs. Liz Sandals: That's actually a good segue into my next question, which may be more for the deputy and COU. If the measuring of the state of the facilities is being done in a relatively consistent way, and there's some variability in terms of the age of the campus and

the age of the buildings on different campuses, is there a way, then, of using that information—which is becoming, I take it—better in quality, to assist us centrally when we're looking at how we are allocating if there's a difference in age of facility? That would be more appropriate for the deputy.

Dr. Philip Steenkamp: Yes. When we do the allocations, Member, we do take into account the varying ages. We look at the facility's condition index, so that is an important variable when we make that calculation because there are different challenges at different institutions, given the different ages of institutions.

The representative from Guelph was talking about Guelph. Guelph has the particular challenge of all its buildings getting to the end of their life cycle at pretty much the same time, so it has a particular challenge. We do have a sense of that, and so we make the allocation with that in mind as well.

Mrs. Liz Sandals: You mentioned, I think, in your opening remarks about collecting some additional data from the universities concerning facilities. Could you expand on that a little bit so we get a sense of where you're going?

1310

Dr. Philip Steenkamp: As members will know, capital planning in this sector has relied on government's fiscal capacity from time to time. Now that government has announced a long-term capital plan, a \$60-billion capital plan over 10 years, we are working very closely with the Ministry of Public Infrastructure Renewal to develop a comprehensive capital plan for the post-secondary sector, including universities.

We will be asking them to submit to us all the information they have on their deferred maintenance challenges in general, on existing projects they have on the books and on future projects that they may be considering so we can build up a comprehensive inventory of capital needs, both for deferred maintenance and also for issues like growth and research.

That will, I think, give us the ability, in an engagement with the Ministry of Public Infrastructure Renewal, to put together an integrated capital plan for the sector as a whole. It's a plan which, then, we will be able to test against the priorities that governments establish. So, that's the further information we will be seeking.

We've had a meeting. Minister Milloy brought Minister Caplan to a meeting of COU presidents, just last week I believe it was, to outline the general process. This is something new in this sector.

Mrs. Liz Sandals: So this will be different from the first PIR capital plan that we did a few years ago, in that this time the universities will be participants in that long-term plan.

Dr. Philip Steenkamp: The universities and the colleges, yes.

Mr. Phil McNeely: Just something we're doing and looking at now: I was reading an article about what a group of universities in the States have done, looking at zero footprint increase. They have to find reductions in

energy use within the operation if you're going to expand. Even if you have a leased building, still 70% of the energy use is going to be there. So that utilization has to be extremely important, and distance learning is one of the issues that's coming up in some areas. Maybe the facilities don't have to grow in the future and the number of students that can be reached can increase, but better use of the facilities and distance learning can make up for that. That's where we have to go, because we're looking to not only hold our greenhouse gases in our buildings, but 30% of the reductions we have to reach are in buildings.

What are universities doing now to look into the future and accept the challenge that there is a climate change plan in place and the contribution that you're going to have to make to it—and utilization of space, of course—is a huge one?

Dr. Paul Genest: I'd be glad to answer that question. I think it's an extremely important point that you make. Frankly, I would say that the investments that have been made recently on deferred maintenance have put a priority on energy use and the impact on the environment, along with the health and safety preoccupations.

I would say most of our universities, as they look at their challenges around new building construction as well as retrofit, are putting really at the top of their list their energy use. It's a cost issue but it's also, quite frankly, a moral and social responsibility issue. I'll leave it to some of my colleagues to talk about some of the things that they're doing.

I will cite, though—we don't have anyone here from Lakehead, but they're realizing, for instance, in a retrofit that they have done, a 30% saving on the energy use.

You mention distance learning, and, indeed, this is particularly important. Again, we talk about the north and what that can save on travel costs in terms of lower impact. As the auditor pointed out, optimal use of our space is really important. Frankly, this is about good administration and more disciplined focus on pooling resources, not having them locked away in a sort of private purview of one part of the university. We really need to get our act on the cutting edge as to those administrative practices.

That said, at the end of the day, the growth we are expecting in our system—we work with the ministry very closely on estimates, but in some estimates we have it as high as a one-third increase over the coming 10 to 12 years. That would be another 120,000 students to be added. At the end of the day, there will need to be more space, but our commitment is to ensuring that new space is done to the very best standards. I am aware that there is the Clinton challenge, down in the United States, which many universities and colleges have signed on to. Zero footprint is the concept. We're intending to put that before our university presidents as a kind of stretch goal to think through and work on an appropriate Ontario response.

Thanks for the question. Greater efficiency: absolutely, but there's going to be some notable growth that's going to happen. Let's just make sure that we do it right.

I'll cede the floor to my colleagues from the—

Mr. Phil McNeely: I'd just like to have a response from the deputy minister.

Dr. Paul Genest: Surely.

Mr. Phil McNeely: What PIR is doing and the direction they're going in—that maintenance management, that whole inventory of properties, of energy uses etc.—is going to be available to your ministry and other ministries, so that a common approach from all users, all the MUSH sector—is that part of what you see as one of the directions you're going in? I think this auditor's report is pointing well in that direction.

Dr. Philip Steenkamp: Yes, it is absolutely part of the process for us. Members may know, I had the privilege of serving as the Deputy Minister of Education for a year as well. That ministry has made huge strides when looking at new school builds, for instance, and looking at sustainability and lead certification in issues like that.

I took advantage of that experience—because I think they were ahead of where we were in TCU—to import some of those principles. I have been working with my colleague Carol Layton, the Deputy Minister of Public Infrastructure Renewal, and also with Gail Beggs, who's the Deputy Minister of the Environment, to make sure that we are beginning to develop a consistent approach to the build, both in areas where we have more direct control, but in the broader sector as well. While the universities have considerable autonomy, I think the ministry plays a very important role in helping broker discussions and facilitating the sharing of best practices, as we mentioned earlier. So we are very attuned to those issues.

The issue you raised around distance education, too—and I think Dr. Genest spoke to that. All of the institutions, I know, are actively looking at enhancing their offerings to students through less traditional means, and distance is one of those. We have a particular challenge, of course, in the north. We have a very well-developed network called Contact North, which provides access to post-secondary education and training throughout the north.

We have just started introducing pilots in the south now. It's a Contact South concept, because we have discovered that access can be as much of a challenge in some parts of southern Ontario as it is in northern Ontario. So instead of thinking that every time there's a demand somewhere you have to respond with bricks and mortar, you can actually look at distance education and other kinds of vehicles for providing students with access. So I would say that we have some way to go on that, but I think the consciousness is there that we should be looking at common and integrated approaches and learning from each other as we proceed.

The Chair (Mr. Norman W. Sterling): Thank you. Mr. Marchese next.

Mr. Rosario Marchese: If you don't mind.

Mr. Ernie Hardeman: No, no.

Mr. Rosario Marchese: I do have a few questions I want to raise with all of you. I, too, am happy that the auditor has had the oversight in some of these matters. I'm happy that most universities are happy with that as well. I think it's good for all of us.

I'm not terribly pleased that we are last in per-capita funding in the country still. I think universities agree with me that that's a serious problem which needs to be addressed on a regular basis. I'm assuming you all agree that the \$26.7 million that you get annually for capital renewal projects is inadequate. If you disagree with me, you can say so. Otherwise, I'll assume you agree.

The Auditor General's report says the backlog is close to \$1.8 billion, although I read \$1.6 billion somewhere else.

Mr. Jim McCarter: I think we said \$1.6 billion as of 2006.

Mr. Rosario Marchese: In 2006?

Mr. Jim McCarter: In 2006.

Mr. Rosario Marchese: In your report on page 322, I saw \$1.8 billion; top of the page, left hand. It doesn't really matter; let's not quibble—\$200 million, good God, it's such small matters. But it's a serious problem. It's grown over the years, it continues to grow, and I'm happy, like you, that we have a serious announcement of money this year which attempts to deal with the problem.

1320
A few questions: In 2005, \$133 million went to universities and \$65 million to colleges for renewal projects. Does the deputy know how much of that money actually went for facility renewal to the university sector? Do you have that figure? Do you know? Is it written anywhere? Do you expect that?

Dr. Philip Steenkamp: I don't have the figure with me, but we do require report-backs from each of the institutions about how the money was spent, so it is a figure we could calculate.

Mr. Rosario Marchese: It's available.

Dr. Philip Steenkamp: Yes.

Mr. Rosario Marchese: In 2006, \$210 million was given, and the same question applies. Do we know how much money went for facility renewal? What you're saying, Deputy, is that the information is available.

Dr. Philip Steenkamp: The information is available because we require report-backs on expenditures.

Mr. Rosario Marchese: Colleges and universities would have to give you the details.

Dr. Philip Steenkamp: Colleges and universities, yes.

Mr. Rosario Marchese: In 2007, \$464 million in total, which Dr. Genest talked about. It seems to me that if a whole lot of money went into facility renewal, you would think that that \$1.6 billion or \$1.8 billion would be seriously reduced, and so I'm wondering how much of that money that has been given in 2005 through 2007 is actually being directed at the facility renewal problem. What is that figure? Is it still \$1.6 billion? Is it that? Is it less? Does anybody know?

Mr. Duncan Watt: I can speak to the issue of why the problem continues to grow even though these rather large sums have been invested. In the Ontario university system, there's about \$15-billion worth of assets, and if they had a life expectancy of 50 years, they would deteriorate at a rate of 2% a year. That would be a deterioration of about \$300 million a year that you would expect to be added to the deferred maintenance bill each year, just in round numbers.

Mr. Rosario Marchese: It continues to grow.

Mr. Duncan Watt: It continues to grow, so you could invest \$200 million in improving it and still have an increase in the global amount of deferred maintenance from year to year.

Mr. Rosario Marchese: What kinds of pressure do you—universities—put on the government in alerting them of this? Obviously, at this point it seems to me that they know. But what kind of pressure do you put on them? The word "pressure" is too political. What kind of things do you do?

Dr. Paul Genest: Thank you for the question. In tandem with the auditor doing his work, we were recognizing that perhaps we ourselves had not been putting enough focus in our advocacy work on this issue of deferred maintenance. The issue there of it not having the same excitement and glamour—I'm not saying that's just on the political side. You get a similar dynamic, I think; it's human—something new, big, bright, delicious, cutting-edge research is much more interesting.

We realized collectively that the problem had gone on for too long. It had languished. We put it at the top of our list, and part of my job is to, frankly, make the rounds at Queen's Park and speak to the decision-makers and say that despite the lack of glamour around this, we just have to do it. I didn't know how it would go over, but they responded. Quite frankly, I think the fact that there was public attention and scrutiny by the auditor really helped the case. So that's what we've been doing.

Mr. Rosario Marchese: So your work is working.

Dr. Paul Genest: You ride a wave sometimes, but we feel very fortunate that the government did respond to this.

Mr. Rosario Marchese: By the way, there's conflict around the whole issue of philanthropy and/or the private sector deciding to help you out in some ways. I've always been one whose view it is that no money is given without strings. Many of us are concerned about to what extent the private sector is able to come and give philanthropy as if there were no strings attached. I'm not one of the view that says we should look to the private sector to give us money to fix those buildings, but you're quite right; it's not coming that easily anyway, which is another problem in and of itself.

The auditor talks about periodically testing a sample of buildings. On page 322 of his report there was one particular study where the database showed a roof in good condition with more than 10 years of useful life remaining, while the detailed inspection just two years later found that 87% of the roof needed replacement.

Clearly, the auditor is saying that you've got to do a periodic review. I'm assuming, Mr. Watt, that you're doing your periodic investigation of your buildings. So, as far as you're concerned, that is happening and you trust that particular work, but others may not be doing it as regularly. Is that the point?

Dr. Paul Genest: That's correct. What we've recognized is that that inventory of deferred maintenance must be kept up to date. You can't lose sight of these projects. Frankly, if you let a roof go too long, the same as with a house, the expenses are going to be much, much greater than if you act in a timely fashion.

Mr. Rosario Marchese: So you're in agreement with the recommendations?

Dr. Paul Genest: We are. We accept that advice. We're making it a priority to maintain those inventories, in terms of sharing best practices around the system.

Mr. Rosario Marchese: In terms of the utilization of facilities, were some of you surprised by the result that the auditor has given to you in his report? Anyone can answer.

Ms. Nancy Sullivan: Perhaps I'll just start off on behalf of the University of Guelph. No, we were not totally surprised. As you might appreciate—and it was alluded to earlier—assigning utilization of space on a university campus is very complex. I think we were fairly satisfied that we were doing a very good job, in terms of the utilization of space, in our larger teaching facilities, particularly those which are in good condition.

One of the real challenges, of course, for any university—I'm sure my colleagues will understand this as well—is that some of the teaching facilities no longer suit the style of teaching. The heating and ventilation may be such that it's not a perfect learning environment.

We had already identified a need—and it was reinforced by the Auditor General's report—to pay more attention to assuring ourselves and others that we were making the best use of the space available. So we have, in fact, just created and filled a position for a manager for space and capital planning. This individual's responsibility—and it goes to an earlier question—will be to work with the registrar and our planning office in order to make sure that we are appropriately allocating, utilizing and auditing the use of that space.

We accept the recommendation. We were perhaps surprised a little, but not really.

Mr. Rosario Marchese: Auditor General, are you satisfied that the ministry does track where the money goes by way of capital renewal or facility renewal?

Mr. Jim McCarter: I have to be honest. We would expect that the ministry would track and have those report-backs, but we would need to go in and do an audit of the ministry program, because this is recent money. We would need to go in, say, a year from now, and actually say, "We'd like to have a look to make sure that you have actually got the information, that you are tracking it and you actually know that the money was spent on deferred maintenance and not something else."

Mr. Rosario Marchese: We look forward to that study.

Mr. Jim McCarter: I'll add it to Mr. Mishchenko's list.

Mr. Rosario Marchese: Deputy, with respect to the environmental impact, universities are generally looked upon as places where innovative conservation, energy saving, environmentally sound approaches to facilities management, are looking to be explored. We're all looking at that. To what extent do we build into the renewal and/or new buildings how we build buildings according to environmentally sound practices? Is that something you built into this?

Dr. Philip Steenkamp: Of the additional capital funding provided in 2007, this is in addition to the regular amounts for deferred maintenance and the capital, for instance, we've got going into the graduate expansion and the medical school expansion. Of the \$600 million in additional capital funding that the government provided in 2007, fully \$334 million was for deferred maintenance. Of the first chunk of that, which was \$135 million, we asked for projects in specific areas. One of those was energy efficiency, for instance. So we did get projects in. We didn't require the institutions to have a third of their projects in energy efficiency because we wanted to give them the flexibility, given their own needs. But we do have a sense of how much money was spent in relative areas, including things like energy efficiency.

1330

On the broader environmental question, I would say that this is somewhere we have further work to do. We do know that the universities—as you say, they're sort of centres of innovation—in some instances are far ahead of perhaps some other parts of the public sector. I've seen some remarkable facilities around the province which are platinum standard etc.

I think we need to turn our minds, as a ministry, working with COU, to how we can play a role in terms of facilitating best practice and sharing best practice. Universities, as you know, have the autonomy to make decisions around capital and the design. We are not in that business, as we are, for instance, on the K-to-12 side, where we have much more control. I do think it's a different kind of role that we could play.

Mr. Rosario Marchese: Of course, but you control the purse strings. Although they are independent, you could decide, "Environment is such a big thing for us that unless you do this, you don't have the money."

Dr. Philip Steenkamp: We do review business cases, and it is a good point you raise. We could choose to, in the review of those business cases, require a consideration of sustainability of—

Mr. Rosario Marchese: It would seem to me.

Class sizes are a big deal for me. We have the highest class sizes in the country in terms of the ratio between professors and students. That's not a record that I think we can be proud of. To what extent are we reducing those class sizes between professors and students, and

what have we achieved in the last five or six years? Do you track that? How much money has been going to that specifically in terms of alleviating that problem, which I think affects quality of education for students and professors? Do we have any figures on that?

Dr. Philip Steenkamp: Again, I would point to the fact that over and above the capital monies targeted for post-secondary, in 2007 the government added \$600 million in additional funding. Of that amount, \$264 million was dedicated to 21 specific capital projects. One of the criteria for those was classrooms and classroom spaces and expansion, so on each of those business cases we did ask the institutions to identify how much additional space that would generate and how many students they could accommodate. We don't have the figures tabulated on that. Across the system, what we are doing, as part of our multi-year accountability agreements with the institutions, is tracking student-faculty ratios, which isn't quite the same issue as classrooms, but we are tracking student-faculty ratios.

Ontario actually has the challenge of its success, the challenge of the success of the Reaching Higher plan. We've had many more students actually enter the system than either COU or the ministry anticipated. Over the four-year period we anticipated an increase of 50,000; we actually got 86,000 students. Our participation rates still remain very high. Of course, our post-secondary attainment rates are the highest in the country and one of the highest in the OECD.

While we've made significant new investments, we haven't made the improvements we might have seen on the quality agenda because of the numbers. That is our challenge, quite frankly, right now, to see whether we can continue to make quality improvements and address the additional capacity that's coming into the system. The University of Western Ontario I know has produced figures on an improvement in student-faculty ratios, improvement in terms of classroom size. So institution by institution, we can actually build a picture of what's happening; some are challenged and some are less challenged.

Mr. Rosario Marchese: Whatever information you've got that is tabulated, I would appreciate that, on the issues that you've talked about. Clearly, we had expected or we've known about this increase for the last two or three years, so you would think that the government would have, in anticipation of that, given more resources to deal with that larger student body. I'm assuming that's an issue you'll be tackling in the near future perhaps.

Dr. Philip Steenkamp: We certainly are aware of that issue. We are pleased that we have been able to respond each and every year to the additional demand with additional operating funding, including this last year, when we were able to fully fund every student who came in. However, as Dr. Genest has pointed out, depending on what assumptions you use, we're looking at somewhere between 60,000 to, on the most dramatic assumptions, 120,000 additional students. That will certainly pose a

challenge, but I think it's a challenge we should embrace and look forward to.

Mr. Rosario Marchese: Thanks very much.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for coming. It's nice to see someone coming in who, the auditor tells us, has gone a long way already to meet the challenges that the auditor pointed out.

I have one very quick question, and it's nothing to do with the auditor's report. I notice that in your presentation you talked about looking forward to the expansion of the student population in post-secondary education. I'm a little concerned as to—I just came from question period, and two thirds of question period was about how we're having a declining enrolment in education, from the bottom. A demographer told me once that the best way to figure out how many children will enter grade nine this year is to look at how many children entered junior kindergarten nine years ago. If that's the case, then as we're seeing that declining enrolment getting to grade 12, why are we still planning to see a dramatic increase in enrolment going into the first year of university? I don't understand that.

Dr. Paul Genest: It's an excellent question, and that would be one's natural assumption. We've heard a lot about the shrinking of the labour force and the baby boom generation having fewer kids. What appears to be happening is that immigration into Ontario—we have a very high participation rate of that population, a strong desire to get higher education. That is one aspect of why the growth in the higher education sector is outpacing what is actually happening in the K-to-12 sector.

Another aspect is higher participation rates generally, and I think parents and students and people as well who want to upgrade their education, continuing education, are recognizing that the jobs that are coming on stream in what we call the knowledge economy require higher levels of training. So that is a dimension that's also happening. This is certainly a challenge that we've got to wrestle with, but quite frankly, stepping away from our sector, it's a good problem, as it were, for Ontario to have, because as our economy evolves, as we see the challenges in some of our manufacturing sector, we realize that the key to sustainable prosperity is investing in people and having one of the most highly educated populations in the world. To your point, those are the factors that seem to be affecting that seeming disconnect.

Mr. Ernie Hardeman: In the process, is there not some place where you've reached that plateau? I agree; the more students stay into post-secondary education the better, but isn't there some point in time—and we're seeing it somewhat now in our labour force—where we can't get skilled trades because we have everybody in post-secondary education as opposed to an apprenticeship? We're seeing a dramatic increase in apprenticeship because we have that group of people for whom that's the lifestyle choice or the occupation choice, as opposed to going to post-secondary education. At some

point isn't there a saw-off, that the percentage of our students that are going to go to university is going to stay at that percentage of our population?

And the immigration one, I guess I'll just throw that in—I'm an immigrant, but the families that immigrate tend to have children who don't start in post-secondary education. They're part of that declining enrolment in our school system. We're seeing that immigration, we've seen our population shifting, but the families that come—when I came, I started in grade one in Canada, and I think that's still true today. It's young families, it's single people who come already educated. I don't see that as people coming to start post-secondary education—to change the numbers from grade 12 into university. Am I wrong?

1340

Dr. Philip Steenkamp: If I could respond: I think the member raises a very excellent point, and that is, we need to be very prudent that we don't overbuild. We work closely with the Ministry of Finance, looking at the different modelling. In fact, the same people who do the modelling on K to 12 do the modelling on post-secondary, and it does seem counterintuitive right now. But, because of the factors Dr. Genest has mentioned, it's not only immigration, but participation rates are increasing, and not only for students coming out of high school but people actually going back into post-secondary education too. We've seen a significant increase in participation rates. The combination of that means that, notwithstanding declining enrolment in K to 12, we actually see a significant growth in post-secondary participation probably to about 2014, 2015. Then we see a plateau and then see an increase again.

But the last point you raised I think is a very good one, and it's one we're still doing analysis on. What's the participation going to look like? Of the 86,000 additional students we've seen over the last few years, fully 80,000 went into the university system. I think we could have a discussion about whether that was the right proportion. I know that on the ministry side we think we need to get more people into applied learning, into colleges and into the trades, and we are working on that, and the universities even recognize that challenge moving ahead.

I would like to give the assurance, though, that we work very closely with the Ministry of Finance on models. I think we need to continue to interrogate the models all the time so we don't become complacent and come up with policy responses which may result in our building too much infrastructure or building the wrong kinds of infrastructure. So it is something we are very alert to.

Mr. Ernie Hardeman: Thank you. I very much appreciate that because I think it does relate to the utilization of the space, and that was another part that I had a bit of a concern with in the auditor's report: that it would take the Auditor General to go into a university to point out that we're not fully utilizing our space. In my house, I know every room that's occupied, which one is waste and which one is waiting for someone to come and sleep

there. I thought maybe that would have been true. I'm not finding fault. I'm just saying that the system hasn't done a very good job of figuring that out.

It leads me to the other question: You mentioned that, since changing the auditing rules, this was the first time that the Auditor General has done this value-for-money audit. Is that also suggesting that the universities themselves have never done anything like this to see whether they're being efficient and effective?

Dr. Paul Genest: If I could, universities are constantly working on ways in which they can improve the way they administer, but there's nothing like getting a second set of eyes, professionally well trained, that have looked at many different sectors. Universities are institutions of higher learning. We can continue to learn and get better. Really, this is part of a process of continuous quality improvement. So we welcome it, we embrace it and we're going to make sure that these insights are disseminated right across the system.

Mr. Ernie Hardeman: Thank you. Like I say, it was an honest question. I really wondered whether—

Dr. Paul Genest: It was a fair question.

Mr. Ernie Hardeman: —we were doing that on a regular basis.

Dr. Paul Genest: We can get better. You know, it's not an ivory tower.

Mr. Ernie Hardeman: If the Auditor General realized that there was not enough to find to re-audit or revisit it, that we can be sure the universities are going to follow through to find the efficiencies that are available.

Dr. Paul Genest: As I say, it's a good thing that the light is brought over. These are public funds, and it's a good thing that the auditor, as it were, follows the money and makes sure that, at the end of the day, citizens are getting the absolute best value for that, and we really do appreciate that.

Mr. Ernie Hardeman: Going to deferred maintenance that the auditor's report is actually about, we talked about, and my colleague questioned, why there was not a decline in the total unfunded liability, shall we say, in the total deferred maintenance, why that wasn't declining as the money was going in. The suggestion was that it's actually growing faster than the money is going in. But of the regular budget, is there not a part of that that's to maintain the infrastructure for the university?

Dr. Paul Genest: On your first observation, if I could just clarify: There's a bit of a time lag in terms of when the auditor issued his report and the subsequent investments made by the government. So the auditor's number does not actually reflect those new investments. We'll have to do a recalibration to see how much growth there has been, but our expectation is that there has been a very significant dent that will be made in the \$1.6 billion; \$335 million is not just loose change. We expect that we're going to be able to do significant things with that. As noted, we need to put this on a long-term, sustainable funding that reflects what the industry standards are here.

Mr. Ernie Hardeman: We had some discussions with the Auditor General this morning about the account-

ability for that money, and it was related to some of the questions here too, whether that money is actually going to deferred maintenance or some of it is being put on the edge of deferred maintenance. The deputy said that the ministry would ask for an accounting of the money going out: "So what did you do with the money when it was done?" If the auditor comes back next year, does the same three universities and sees the money that came in, would he be able to reconcile that with the report that you presently have of what the deferred maintenance is, which projects you fixed and see that fluctuation in the deferred maintenance cost?

Dr. Paul Genest: Yes. We fully intend to respond—

Mr. Ernie Hardeman: They would fit right together? So at any point in time that the Auditor General does the audit in the future, he should be able to say whether the university—

Dr. Paul Genest: If he's not able, we expect him to point that out and to suggest we do a better job on keeping our inventories. But I would just say in general, when the ministry earmarks funds for a certain purpose, it's our expectation and intention—their expectation as well—that we give a full accounting of what we did with that. That's absolutely what we intend to in regard to the \$335 million.

Dr. Philip Steenkamp: If I could just add to that point: We obviously have these formal report-back processes, but I can tell you that every time I visit Carleton University, the only thing they show me is the 40-year-old boiler, so next time I go I want to see a new boiler down there. I will go and personally verify that this money has been spent.

Mr. Ernie Hardeman: There are two reasons I'm staying on that topic. One is that I think the people of Ontario have a right to know where their dollars are going. So if one body doesn't have the actual responsibility for spending it but provides the money on behalf of the people, they have to make sure that the people can find out where it went and how it was being spent.

The second reason that I think this is so important is to deal with the same topic next year, when more money is needed. Maybe next year there won't be a surplus, and then there is no last-minute funding. Then I don't want to see the universities falling apart because they're not part of a way of spending what's left over; they need to be part of the original budget purpose. You can't get in that lineup, shall we say, unless you have the documentation of the need and the benefits that you're going to get from it. So I think it's so important that you can follow the dollar going in so we can tell the funders, when that is needed, that it can't just be done when it works out for the government as opposed to when it's needed for the universities. I think that's really the important part, to have that accountability and the ability to justify what's needed.

Lastly, I just want to touch quickly again on the utilization of space. I'd like to see what more could be done to make sure the space that's there is being utilized to the fullest, rather than looking at new space or even

upgrading spaces. If the facility is there, we should use it to the full extent. I think we shouldn't let it sit there until somebody says, "That's not very good productivity you're getting out of that large building." So I encourage—

Dr. Paul Genest: Given that the growth is coming and we know that it's coming, with the ministry we're of course working on what the case is and what funding will be required, but I think it's on our shoulders an expectation that we have got ourselves in the best possible condition in terms of maximal use of the facilities we've already got before we're there saying, "All right, we need to augment that by such-and-such an amount."

1350

Mr. Ernie Hardeman: I appreciate that. Last, I just want to say that you are, as a group, somewhat unique. You were unhappy that the auditor was coming and you were happy that the auditor left. That's never happened to me.

The Chair (Mr. Norman W. Sterling): Just before turning it over to Mr. Zimmer, could I ask a couple of questions, somewhat on behalf of the committee? You three universities have had a focus on these particular issues because you were the hosts to the Auditor General. How can the committee be assured that the other 15 universities are having the same focus on these recommendations that the minister has, and what can the committee do to assist the other 15 universities to have that focus?

Dr. Paul Genest: Thank you for posing that question, Mr. Chair. I think the three were chosen to be, as it were, bellwethers for the system. All knew that the audit was occurring. There was, accompanying the on-site audit of the three, a quite extensive questionnaire for the other 15, which they were expected to respond to.

I want to assure you that the vice-presidents of finance and administration—we have a number of affiliates at COU, and we provide convening and secretariat support for this committee of those vice-presidents. They have met, they have spoken about this, they have analyzed the report in detail, and they have put together an inventory of best practices out of it.

We know that we are in this new era of deepened transparency and following the money, as it were. The turn of any of them could come next. We want to be prepared and be in the best possible shape. We expect that this will be a process of continuous learning, but, as the deputy mentioned, it's a shared responsibility that we have to make sure that there's follow-up.

In terms of what the committee can do, it's not unhelpful, if I may—well, a follow-up letter is not unhelpful in terms of flagging some of the issues that the committee sees as important. That's something that I can take in hand to the presidents, the executive heads of the universities, to say, "The committee has paid close attention to this. They understand our issues. They seem to be supportive on certain points, but they're expecting that we're going to grow, learn and get better, particularly

when we're expecting and hopeful that deeper investment is going to come from the government."

The Chair (Mr. Norman W. Sterling): The only thing I can say is that the committee, in dealing with, for instance, school boards in the past, has taken a direct role in writing to directors and chairs of those boards with regard to a particular management practice and has asked those boards to post on their website their particular policies regarding that management practice. I open it to you to give us suggestions if there's any kind of help we can provide in that regard, so that a buy-in can be achieved at the university level, because I know that universities are large and wide, and control resides in different pockets of the university. But there are some things which we may help with. You had a consensus with regard to going forward and having a more accountable and transparent process.

Can I ask, in terms of the funding which you are receiving from the provincial government with regard to renewal and maintenance: Is there much pressure on the universities to spend that money elsewhere? You said yourself, Dr. Genest, that this isn't a sexy topic, and therefore, often it might sink to the bottom of the pile in terms of priorities. But there's a long-term interest in us continuing to address this. Can you assure us that when the province gives a dollar for this, it's not 99 cents or 80 cents that are going to be spent for the purpose; it's the full dollar?

Dr. Paul Genest: Though temptation always exists in this world, it's our commitment to you that the funds earmarked for deferred maintenance will indeed be spent on deferred maintenance. As I say, it's something that they have collectively realized—that we need to get busy. We can't simply just allow that backlog to build and build. So it's a commitment across the system to do something about it and to make sure that those funds are properly allocated to that, and we commit to reporting back to you on that fact.

The Chair (Mr. Norman W. Sterling): One last question. Before this recent generosity with regard to maintenance and renewal, the overall budget of the ministry seemed to be stuck at around \$26 million or \$27 million for these purposes. Were the universities spending more than that, in a combined sense, for this particular area?

Dr. Paul Genest: It varied from university to university. Some executive heads have insisted that every year they put in more, and they find that from operating and other ways, and some have done less well. But I would say that, in virtually every case, universities have not been able to keep up with the backlog.

The industry standard is that one ought to be spending 1% to 1.5% of CRV per year to maintain a building in proper order. As the auditor pointed out, we're getting about a tenth of that amount right now. So that's why our wish is to put it on a sustainable footing and make sure our buildings are in tip-top shape.

Mr. David Zimmer: If I can just follow up with a very pointed question or practical question on this de-

ferred maintenance issue, I understand that the university sector in the last six months has received, I think, \$335 million for facilities renewal. Just to give me and the committee a sense of what that means in terms of Carleton, Guelph and McMaster, what have your respective universities done with your share of that \$335 million? I just want to get a feel for what it actually means when it translates into bricks and mortar.

Ms. Karen Belaire: At McMaster University we will receive roughly \$22 million of that amount. I can tell you that it is going into things like boilers, like emergency power upgrades. It's going into some of our energy programs, everything from rainwater harvesting to energy retrofits. It's going into enhanced security items on campus, such as emergency communication. So it's a wide and varied list of items. It does deal with roofs as well, but there are large, major projects.

Mr. David Zimmer: As a percentage, what dent does that make in your deferred problem?

Ms. Karen Belaire: Our deferred maintenance number right now is hovering around \$160 million.

Mr. David Zimmer: I might ask the other universities the same question.

Ms. Karen Sullivan: Certainly. At Guelph as well—I think I would like to assure the committee that if funds are sent to the university for deferred maintenance, they are indeed used for deferred maintenance. The extent of our problem was so great that our board actually approved borrowing against addressing critical deferred maintenance projects, so these new funds are most welcome. Just to give a couple of examples, and they're not dissimilar—

Mr. David Zimmer: I'm sorry, your share?

Ms. Karen Sullivan: The University of Guelph will receive \$20 million over those two-year periods.

The types of projects we're now able to undertake—and I think if you compare \$20 million to \$1.6 million, you can imagine we're able to plan and address some more significant projects. We have an absolutely fabulous building on campus called the Macdonald Institute, which was one of our founding buildings. We are undertaking a very significant major renovation and restoration of the exterior of that building. You might think that's simply a beautification project. In fact, we're talking very serious structural issues, where the portico was about to crumble and fall, and that is clearly a very big liability issue.

We are retrofitting our McLaughlin Library. We're doing a complete lighting retrofit. There was a time when the judgment of those who designed buildings was that you should have one switch so that you can easily turn the lights on and off. That is such a building. It was built in the early 1970s. We are now retrofitting it so that we control lighting to task lighting when we need the lighting. We can actually turn them off so we don't have a beacon on campus 24 hours a day, which is a current problem.

We are undertaking a number of retrofits involving—it's very basic, but conserving water in washrooms

through retrofits because, for the city of Guelph, water conservation is a very major concern. We were able to partner with the city, and we have actually got some funding from Guelph Hydro so that you can piggyback on funding that has become available.

1400

So those are the types of projects—

Mr. David Zimmer: And that money as a percentage of your deferred maintenance?

Ms. Nancy Sullivan: Our deferred maintenance figure would be slightly bigger than McMaster's, but we're in the \$200-million figure.

Mr. Duncan Watt: At Carleton, our share of the new money is \$23 million. Our deferred maintenance is currently at just over \$60 million. The bulk of this money will be spent on deferred maintenance items. At the end of this cycle, our deferred maintenance will probably be reduced to something like \$45 million.

The most interesting project that we're doing is we are retrofitting chemistry labs in our Stacey buildings that are 50 years old. They have the same technology they had 50 years ago. They'll be brought up to modern state-of-the-art, which will improve space utilization, improve the student experience and improve energy consumption as well.

Mr. Phil McNeely: A question relating to what we've been discussing all along, and it may not be to the audit function, but today in Ottawa we're looking at choosing option 4 for the light rail: \$4 billion. Four billion dollars, but in the last eight years, the city has increased their maintenance requirements on their roads. It's a \$10-million deficiency by year, but because you don't do it, it's about a quarter of a billion dollars.

I think that's the way we look at things. Even though the dollars for maintenance have been increased in the last three or four years—I think that's in the report, that they've been increased significantly—what I'm hearing today is, they're not sufficient yet. We know that. They're not sufficient in Canada. We didn't get a buy-in from the federal government on protecting our infrastructure. Part of the solution might be that—and I think it's coming down to the whole climate change thing: that we can't afford even a great building as an expansion. It's just not acceptable. We have to lower our greenhouse gases.

I wonder if you have to get into the thinking. If it was my community, I know what my reaction would be: take the capital money and have a moratorium on new capital and put it into maintenance. What would be the reaction back? Then, maybe we could mandate ribbon-cuttings on boilers. This might solve it, but I'd like to hear from you on that.

Dr. Paul Genest: I think it's one of those situations where we need to walk and chew gum at the same time. We've accepted, as noted, all of the Auditor General's recommendations about how we improve what we do, and there are ways. One gets enormous efficiencies by putting a new boiler in, as compared to a 40-year-old

boiler. There's just no comparison. We need to do all of those things.

But I would point out that with things like platinum-standard buildings, where you're using renewable energy, where you are doing proper sealing, thermal heating, there are techniques that are being developed. Frankly, as the deputy pointed out, it's our universities that are leading on the cutting edge on some of these things, both to help how we do and what we manage, but also, these represent opportunities for new businesses because every part of the globe has to wrestle with this problem.

I would, with great respect, not say that the university would be prepared to commit to put all their eggs in the basket of just fixing what we've got. We've got to get ready for that growth and the new students who ultimately are going to be coming our way.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: Yes. We were discussing utilization rates earlier, and I know the auditor noted that there seemed to be underutilization, particularly on Friday afternoons. As somebody who used to be a university lecturer, I have great sympathy with underutilization on Friday afternoons. There's really not much point in talking after 2 o'clock on a Friday afternoon because it will be underutilized no matter whether you schedule it or not.

Having said that, utilization is a serious issue. There are some rooms that, as you get more students, you will eventually fill up, even if they're less desirable.

When we get into labs, the issues change significantly. The language lab isn't interchangeable with the physics lab, which isn't interchangeable with the large animal anatomy lab. Are the systems that we're using for tracking utilization sophisticated enough to pick up on utilization of purpose-built clusters so that we can identify those clusters that are either under- or over-utilized—so that we've got good data, first of all, at local universities, and then across the system about where we have pockets of under- and overutilization in terms of labs? Labs are really expensive spaces, typically, and you want to make sure that if you are moving to new capital, you're moving to new capital that is required in terms of what is required for teaching programs.

Mr. Duncan Watt: I can maybe answer part of your question. I think most of the information in the Auditor General's report about space is about Carleton University. We recognized six or seven years ago that we weren't making as good a use of our space as we should have, so we've started to focus on this as a priority. We do.

In the report, it says that we had, when the Auditor General came, 58% utilization of our classrooms. We received a report last week that we're now up to 69%, and we will get to 80%. What we do is we take those classrooms, as we can, out of the classroom pool and use them for other purposes. We have excellent data today on all of our classroom utilization.

To Mr. Zimmer's question: About the only space we would allow our deans to control today would be laboratory spaces that are dedicated to that particular faculty. We also track the utilization of that space.

If you have a laboratory that was built 20, 30, 40 years ago, they mainly were purpose-built spaces. An example I gave a few minutes ago about our new chemistry labs we're putting in place: The reason that we are able to have improved utilization is that they do multi-purpose chemistry activity within one space because of the new design. They take these old laboratories that were built to be, I don't know, a structures lab in the civil engineering department and have it multi-purpose.

It's a fairly expensive proposition to do as a retrofit, but I think all universities are aware that, going forward, we need to be aware of this as we're designing new spaces.

Mrs. Liz Sandals: Comments from others?

Ms. Karen Belaire: I can just speak to another element of utilization. You've raised the complexity issue. In the Auditor General's report there was reference to a UK report that said that when you charge people for the use of space, they utilize it better. At McMaster University, right now we are currently exploring a model that would charge for the use of space. I'll let you know a year from now if that's had any impact on the utilization.

Mrs. Liz Sandals: Or whether you start a faculty war. Good luck.

Mr. Rosario Marchese: Sorry, you're charging who?

Ms. Karen Belaire: The users of the space. So when the faculty of engineering wants to build new space or wants to dedicate space for a laboratory, they are going to be charged an occupancy cost on a square-footage basis for that space.

As it is right now, space is free, so there's no disincentive. We need to make sure that we utilize the space appropriately. One way is to charge them when they use it.

The Chair (Mr. Norman W. Sterling): Could I ask a supplementary question to the deputy? Is there any reporting to you of the utilization of space by universities, particularly the other 15 that were not audited?

Dr. Philip Steenkamp: There isn't any regular reporting coming out of this review. We will be seeking reports through COU on utilization. From time to time, we do request information from them on utilization.

I can tell you that every time we are in front of the treasury arguing for money for a new capital build, the question of utilization comes up. So as part of the long-term capital planning process, what we are going to do is make sure that we have regular reports and regular progress on utilization, because I think it's going to become an increasingly important consideration and variable when we're making the case for capital monies. Periodically, from time to time, we do get reports from them, but we will systematize that moving forward.

1410

The Chair (Mr. Norman W. Sterling): Do they have to have a policy relating to the utilization of space? Do

they have to have a reporting system, or do they have those kinds of things? I'm not necessarily saying they have to have or don't have to have, but I guess my question is, should the committee write to each university and say, "What are you doing about utilization of your existing space? We would like to ask you what your policy is, what you're planning for the future." I don't think we want to dictate necessarily to the universities what they should or shouldn't do, but we want them to be concerned about this and take positive action.

Dr. Philip Steenkamp: I'll start off and I'll ask Dr. Genest if he'd like to add a comment. On the issue of space standards, not utilization, we do have an established methodology, and we can track space standards across all the institutions. That's regularly updated, and that does help form our capital planning.

On the issue of utilization, we are taking out of this report the recommendation that we should be sharing with all universities the best practices that have been identified, and a number were identified by the Auditor General. The assistant deputy minister of the post-secondary education division did send a memo out to the sector on May 15 laying out the findings of the report and the recommendations. Then we will do work, and we've made a commitment as a ministry, to work on sharing best practices across the system.

To your particular question, perhaps, I could ask Dr. Genest whether he thinks that would be a helpful recommendation.

Dr. Paul Genest: Certainly. I guess I would repeat my original suggestion. It would be helpful, frankly, if the committee were to put down in a letter to the COU, to myself and to my chair, Dr. Peter George at McMaster, the high points that you have flagged from the Auditor General and express your interest in them. I will say that as a result of the auditor's work, we're in the process of developing policies and improving our practices. Innovative steps, I think, are being taken in exactly that vein. I think this is one of the salutary effects of the follow-the-money policy, as it were.

Mrs. Liz Sandals: I don't know whether the University of Guelph wanted to respond, and then I've got some follow-up questions for Dr. Steenkamp and Dr. Genest.

Ms. Nancy Sullivan: I was just going to go back to the space utilization question. I think we would recognize, out of the work that the Auditor General did, that Carleton is best practice, and that is what we will try to emulate. I think we have a very good handle on the usage of large teaching classrooms on the campus. Where we have less control and less certainty around the usage is perhaps with labs and computer labs, which, as someone observed earlier—Mr. Zimmer, I think—tend to be controlled more at a local level. So we're trying to make sure we apply the same procedures and policies to varying types of space.

Mrs. Liz Sandals: As a follow-up, when we were looking at the facility condition reports, we were looking at a standard piece of software with fairly similar standards. Is there anything, if we're getting into looking at

collecting utilization data, that would have some sort of relatively similar format in which universities would be measuring utilization, allowing for the complexity, though, that when you move out into labs, it isn't just simply a matter of, is it empty or not; it's appropriate use. So I guess that would be the question, and then I had one more.

Dr. Paul Genest: Sure. This is one of the areas where we're taking on board best practices. One of the roles—my job and that of my staff at COU—is to make sure that there is learning across the system. Your question is a really good one in regard to having a sophisticated mode of assessing labs, for instance. That a lab is not occupied with a class may mean that the lab is being set up for a certain type of activity or a certain type of experiment in a given discipline. That's going to be a different process and procedure and a different lab set-up. One will need to take account of that kind of thing, as I think you appreciate.

Mrs. Liz Sandals: The other sort of bookkeeping question is, would it be appropriate for the committee to get a copy of the letter that the ADM sent? I don't want us to be working, as a committee, at cross-purposes. If the ADM has said to the universities, "Here are the issues," we don't want to be saying to the universities something that is contradictory. That's just confusing.

Mr. Rosario Marchese: We could.

Mrs. Liz Sandals: So it would be perhaps helpful if we knew what was already being said, if that would be okay.

Dr. Philip Steenkamp: I've just had an update, and the letter sent by the ADM was very high-level, just alerting folks to the report. So I think there's a lot of scope for the committee to make particular recommendations.

Mrs. Liz Sandals: Okay. So basically it just said, "Here's what the auditor said." We already know what the auditor said, so it isn't like we're going to be creating some sort of contradictory messaging. That is what I hear you saying.

Dr. Philip Steenkamp: No.

Mr. Rosario Marchese: We wouldn't want to do that.

Mrs. Liz Sandals: We wouldn't want to do that. There's enough confusion.

Mr. Rosario Marchese: On both sides.

Mrs. Liz Sandals: Why create more? Okay, thank you.

Dr. Philip Steenkamp: But there is a commitment. This is just the first communication. There's a commitment to work with COU on the sharing of best practices, and certainly take the committee's suggestion to see whether we can't get to a place where we're using a common enough standard that we've got comparables. As I mentioned before, this is obviously very helpful for us. Every time we're in front of the treasury, they're always asking questions about special utilization, so it's an important tool for us as well.

Ms. Nancy Sullivan: Perhaps I could just make an observation. I think, in response to the question, "Are we

using the same system in terms of space utilization tracking?" the answer is, "Absolutely not." I might ask the committee to consider, as the deputy suggested, recommending a common standard. I'm not sure that suggesting that every university use the same system is going to be the best use of pretty scarce resources now. It was relatively costly to bring in the standard system for tracking our facilities' condition index that was paid for by the institutions. I think we all have different systems that probably work quite well, but setting a common standard would be very helpful.

Mrs. Liz Sandals: Yes, and having at one point in my life done some administration program at a university which is near and dear to you, I know how difficult it was to get a common standard amongst colleges, let alone across all the institutions, which is why I keep asking these questions. Thank you.

The Chair (Mr. Norman W. Sterling): Is there any formal process for sharing best practices amongst universities?

Dr. Paul Genest: Yes, indeed there is. I should mention that at the Council of Ontario Universities we have over 20 of what we call affiliates. One of our key roles is to be the convenor of the vice-presidents of research, for instance, the vice-presidents of finance and administration, the vice-presidents of operations. This is a key role that we play, and that is really the venue where they come together and they look at common issues. We all have to work closely with the ministry as individual institutions, but collectively there are common things, and there is learning happening on a constant basis.

Ms. Nancy Sullivan: Maybe I could just add, in terms of the outcomes of the provincial Auditor General's report, Duncan, myself and a couple of other of our colleagues will be making a presentation this summer at the Canadian Association of University Business Officers conference, so the practices, recommendations, are going to be shared with our university colleagues across the country.

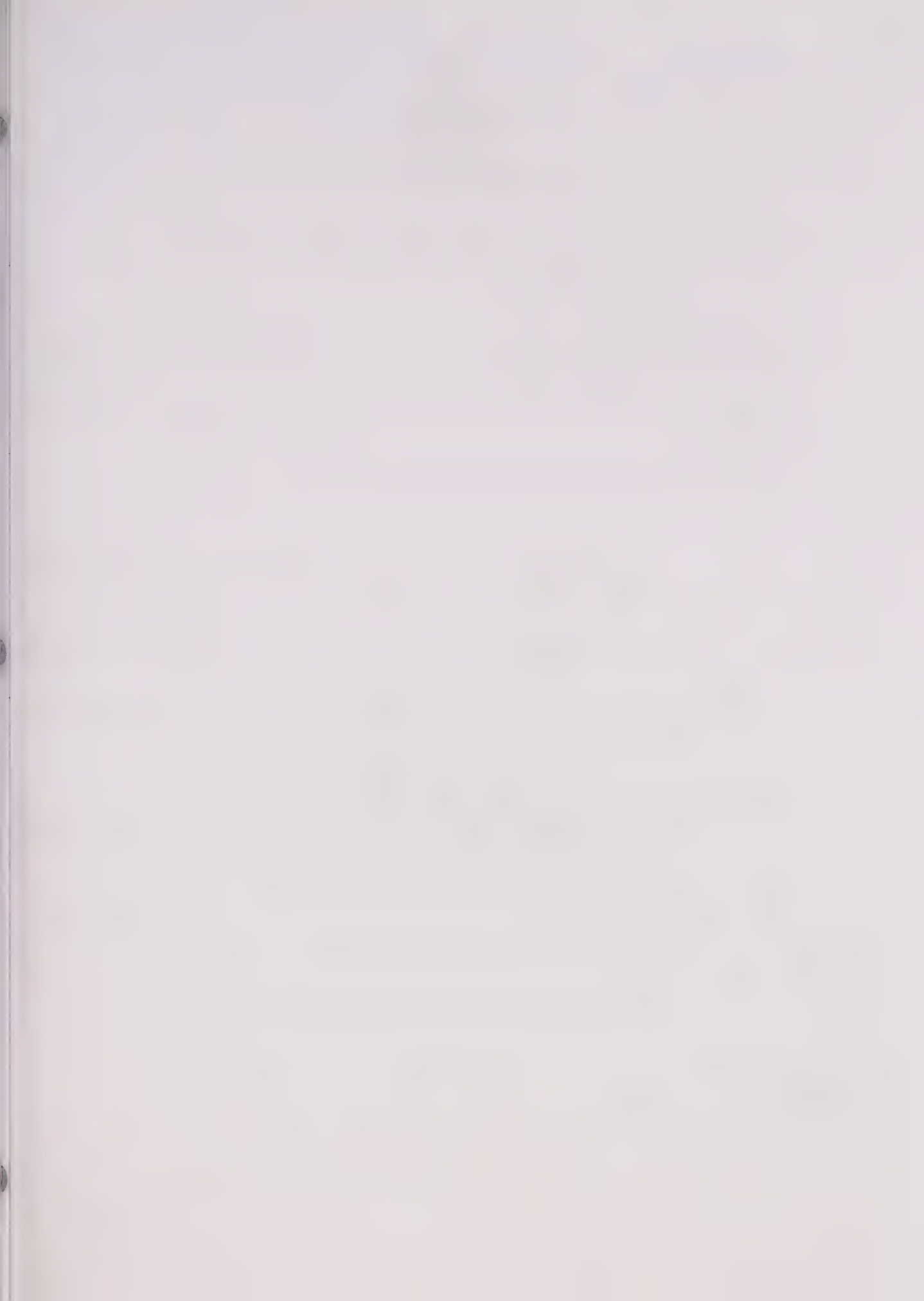
The Chair (Mr. Norman W. Sterling): I believe, Mr. McCarter, you wanted to have a few words.

Mr. Jim McCarter: I just wanted to put on the public record what I said in camera this morning. Again, it was the first time we were out at universities doing audit work, and I'd have to say that the three universities, Carleton, McMaster and Guelph, were very co-operative. We found that our audit work was very fruitful for us, so I would like to thank you for the co-operation.

The Chair (Mr. Norman W. Sterling): On behalf of the committee, and particularly to my alma mater, Carleton University, I'm glad to see you're leading in this particular area. Thank you all for coming to the committee. We've enjoyed your presentations and the information you've given the committee.

We will go into camera in about three or four minutes, just to instruct our researcher with regard to our report-writing. Thank you again.

The committee continued in closed session at 1422.



CONTENTS

Wednesday 28 May 2008

2007 Annual Report, Auditor General: Ministry of Training, Colleges and Universities:	
Section 3.14, universities—management of facilities.....	P-169
Ministry of Training, Colleges and Universities	
Dr. Philip Steenkamp, deputy minister	
Council of Ontario Universities	
Dr. Paul Genest, president and chief executive officer	
Carleton University	
Mr. Duncan Watt, vice-president, finance and administration	
McMaster University	
Ms. Karen Belaire	
University of Guelph	
Ms. Nancy Sullivan, vice-president, finance and administration	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Rosario Marchese (Trinity–Spadina ND)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

HAZON
X621
-P72



ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

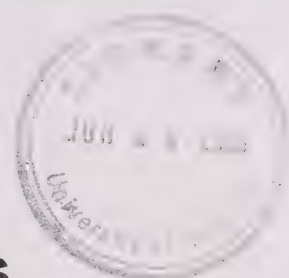
Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 11 June 2008

Journal des débats (Hansard)

Mercredi 11 juin 2008



Standing Committee on Public Accounts

Special report,
Auditor General

Comité permanent des comptes publics

Rapport spécial,
vérificateur général

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

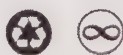
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 11 June 2008

Mercredi 11 juin 2008

The committee met at 0913 in committee room 1.

SPECIAL REPORT, AUDITOR GENERAL

The Chair (Mr. Norman W. Sterling): We're calling the meeting to order. Later this morning we're going to deal in camera with two reports of the committee.

First, we wanted to consider a motion with regard to some ongoing work that the Auditor General has undertaken already, and that is relating to infectious diseases in hospitals.

There are a couple of motions in front of the committee at this time, basically with the thrust of asking the Auditor General to perhaps produce his report with regard to this matter prior to his normal release date, which would be at the end of November or early December in his annual auditor's report.

There was a motion that I circulated to all lead members of parties yesterday so they would have advance notice with regard to this kind of a motion. That motion says:

"I move that the Auditor General, under section 17 of the Auditor General Act, table his report on his assessment of whether selected hospitals follow effective policies and procedures for the prevention and control of hospital-acquired infections with the Standing Committee on Public Accounts as soon as it is completed; and

"That prior to the tabling of this report with the committee, the Auditor General may inform the Deputy Minister of Health of his opinions, observations or recommendations."

I thought that embodied the discussion that we had in camera last week, but I have an alternate motion as well, put forward by Mrs. Sandals, which reads:

"That following the Auditor General's completion of his value-for-money audit of the infection control program specifically looking at C. difficile, if in the Auditor General's opinion his recommendations could have a significant and timely impact on public health, the Standing Committee on Public Accounts of the Legislative Assembly of Ontario calls on the Auditor General to consider using the discretion outlined in section 12(1) of the Auditor General Act to release that chapter of his annual report in a special report to the Speaker.

"That prior to tabling of this report, the Auditor General may inform the Deputy Minister of Health of his opinions, observations or recommendations."

My reading of the two, if I could give my opinion first, is that the original motion is an action taken by the committee to instruct the auditor what our wishes are with regard to this matter in terms of dealing with a matter which is under his investigations, and therefore it's more at the initiative of the committee. With regard to the other motion, which was put forward by Mrs. Sandals, I would make the argument that we don't need a motion in order for the Auditor General to do what he can do under subsection 12(1) of the act.

I would prefer that the committee consider the original motion from the point of view of not putting the auditor in the difficult position, as he goes through his duties as Auditor General, of dealing with matters which may require immediate action, and therefore be put in the position of perhaps producing three, four or five reports every year as he stumbles across a matter which might, on the edge of his judgment, require "emergency reaction." So I would prefer to put the onus on the committee to be giving him more of an instruction, rather than just telling him to follow the powers that he already has under the act.

I'm sorry; perhaps I shouldn't do that. But I'll open it for discussion.

Mrs. Liz Sandals: Do you wish to—your motion was tabled first, so clearly, procedurally, if you wish to put your motion first, we can debate it.

Interjection.

Mrs. Liz Sandals: I would just comment that we are supportive of the Auditor General releasing the information early, if it seems helpful to do that in terms of managing C. difficile. Our concern is that the section that is cited as the authority in the opposition motion is a special audit, and that that's not technically accurate. In fact, it isn't the committee asking the auditor to do a special audit; he's already doing the audit. Whereas the section we have cited is, using the authority within his routine audit, if he runs across something that he thinks needs to be accelerated, that he do so. We are specifically citing infection control and C. difficile, so we aren't just simply parroting the act. Our concern is that this is not a special audit we are requesting; it is possible acceleration of a routine chapter. Therefore, it's more appropriate under subsection 12(1).

Ms. Andrea Horwath: I actually have a question of clarification—through you, Mr. Chair—for the auditor, if that's possible.

The Chair (Mr. Norman W. Sterling): Okay. I think that would be a good idea.

Ms. Andrea Horwath: Jim, could you tell us what has been the precedent in terms of the way you handled these situations in the past? I know we had a bit of a discussion about this last time, but with these issues being raised in terms of the sections of the act, as the auditor responsible for fulfilling the act, what's your perspective?

0920

Mr. Jim McCarter: Our interpretation of section 17 is that the intent of the Legislature is that basically the auditor will include all his audit work for the year in one annual report and table that annual report. The part of section 17 which says that if something is of such urgency that the auditor feels it has to be tabled immediately as a special report, as far as I can recall, I think it's only been used once in the history of the office, and actually it was a special report that I did on Y2K, the year 2000 bug, where we really felt that could not wait the six months.

But I'd have to say with respect to our other audits, a good example would be the surgical facilities audit last year where a number of the issues there did affect public health. An example would be the flash sterilization, which certainly was a fairly significant item. Even with respect to that one, we felt that particular audit didn't meet the urgency requirements in section 12 basically to table immediately, and we did include it in our annual report. So even with respect to this current audit that we're doing with hospital-acquired infections, our normal practice would be to table it as part of our annual report.

Having said that, if the committee was to pass a motion asking us to really have a second look at this audit or to "decide whether in your opinion it's of such urgency and would affect public health—we'd like you to give serious consideration to tabling it earlier," but again, that would be our judgment. We would have to make the judgment call really whether we would go ahead and table it early or whether we would treat it as we would normally treat our routine audits and include it in our annual report. Does that help, Ms. Horwath?

Ms. Andrea Horwath: That's helpful, but if I could just finish—

Mrs. Liz Sandals: On a point of order, please: You started that preamble with section 17, Jim. I think you meant subsection 12(1).

Mr. Jim McCarter: Yes, I should have said section 12.

Mrs. Liz Sandals: He was talking about subsection 12(1).

Mr. Jim McCarter: Subsection 12(1) basically—

Mrs. Liz Sandals: That's why I said, "On a point of order."

Ms. Andrea Horwath: So when you started off your comments, you were talking about section 12(1), as opposed to—

Mr. Jim McCarter: Yes. Subsection 12(1) basically says the auditor will table the results of all his work in an

annual report. It does have the caveat that if a matter is of such significance or such urgency, the auditor can table a special report. Historically, the office has, to the best of my knowledge, only used that section once, and that was in the Y2K example that I mentioned. Generally, all of our audit work is included in one annual report.

The Chair (Mr. Norman W. Sterling): Let me ask this question of clarification. If we pass the original motion, would that be considered a special report under subsection 12(1)?

Mr. Jim McCarter: It would be considered a special assignment under section 17. Now, what it's basically saying is, "Auditor, we know you're doing a routine audit on this. However, under section 17, we'd like you basically to report this as a special assignment, report it as quickly as you can and report the results directly to the Standing Committee on Public Accounts." That's how I would interpret that motion, Chair.

The Chair (Mr. Norman W. Sterling): Okay.

Ms. Andrea Horwath: Then just following up on the clarification, would it then be taken out of your final report and only be dealt with through that special—

Mr. Jim McCarter: Yes. Then it would not be included in our annual report, although we might make brief mention of it, saying that we did—usually in our report on the Office of the Auditor General, where we have done specials, we would have a couple of paragraphs, like with the Bruce nuclear or the immigration grants. We would have a couple of paragraphs just very briefly saying that during the year we did table the following special reports, usually under section 17, but they're very brief, and we wouldn't include that as a chapter in our annual report.

Ms. Andrea Horwath: Just my final question of clarification: As the Auditor General, does that cause you any discomfort in the fact that you started the process as part of your annual review of the various issues, and with this motion, the first motion to be tabled, it then changes the context of it into a special audit? Is that problematic?

Mr. Jim McCarter: The work that we do would not basically change whether—essentially an audit is an audit is an audit. The fact that this current motion was before us saying, "We'd like you to treat this as a special assignment and table the results of the audit in a special report as soon as it's done"—we would certainly do our best to adhere to the will of the committee.

Ms. Andrea Horwath: Thank you very much.

Mrs. Liz Sandals: But if it gets taken out of the annual report, as opposed to just being part of the annual report that is released early, which is what we're proposing, then it wouldn't be part of the annual report and wouldn't really get into our normal public hearing follow-up sort of rotation.

Mr. Jim McCarter: It wouldn't be in the value-for-money chapter of our annual report; it would be in a different chapter in our annual report, but there would just be a reference to it. Because of the way the motion is worded, we'd basically be reporting to the Standing Committee on Public Accounts. Once we have tabled a

report with the Standing Committee on Public Accounts, I would certainly think—and you might want to check with the clerk—that a hearing could be held if the committee wants to hold a hearing on it. That would be my interpretation.

The Chair (Mr. Norman W. Sterling): The way I read the second motion, this does not guarantee that a report is going to be made in September. All it does is say to the Auditor General, “Have a look at this, and you decide whether you’re going to have a report in September or put it in your annual report in December.”

Mr. Jim McCarter: I’ll be very direct: If there were no motion, we would be including the results of this audit in our annual report. If the committee were to pass a specific motion, we would certainly give serious consideration to adhering to the motion. Notwithstanding, I wouldn’t want to guarantee that we would table it early and not in our annual report, as is our normal practice. But a motion by the committee would be taken seriously by my office.

The Chair (Mr. Norman W. Sterling): Let me get that straight, Mr. McCarter: If motion 2 is put forward, under subsection 12(1), do you interpret that as still having the discretion to do or not do a special report?

Mr. Jim McCarter: The answer to that is yes.

The Chair (Mr. Norman W. Sterling): You have those powers now without our moving this motion?

Mr. Jim McCarter: I have those powers now, and it would be at my discretion whether I feel it’s of such—I’m just look up the wording here—“significant and timely impact on public health” that it would warrant my treating it as a special audit under section 12. I would interpret that as being at my discretion. As I indicated, without the motion we would be including this in our annual report; with the motion, we would give this consideration because it was a motion by the committee. But I wouldn’t want you to assume this would guarantee that we would treat it as a special report. We would need to assess it carefully.

The Chair (Mr. Norman W. Sterling): Is that true in the case of both motions? That’s what I’m having difficulty with. That’s what I’m trying to get from you.

Mr. Jim McCarter: No. The first motion is very clear. It’s basically directing the auditor to report the results of this audit to the Standing Committee on Public Accounts as soon as it is completed.

The Chair (Mr. Norman W. Sterling): Okay. So with the first one there is no discretion and the results will likely come forward in September, and with the second, there is discretion as to whether you report or don’t report.

Mr. David Zimmer: I understand the distinction the Chair has just made, and I agree with that. But as a matter of administrative law, what is the position of a civil servant who has discretion, such as you have here, if the oversight committee—this committee, if you will—passes a motion that, on the face of it, is suggesting to you how you should exercise that discretion and is not fettering your discretion?

Mr. Jim McCarter: I would interpret this motion as saying that if, in the auditor’s opinion, the recommendations are so significant and of such a time-sensitive nature on public health, the committee is saying to the auditor, “If, in your opinion, that is the case, we would like you to table that report as soon as possible.” That would be my interpretation of the motion.

The Chair (Mr. Norman W. Sterling): Which motion are you referring to?

Mr. Jim McCarter: The second one.

Mr. David Zimmer: So the follow-up question is, irrespective of any motion that emanates from this committee, can you say that’s not an undue fettering of your discretion?

Mr. Jim McCarter: I probably wouldn’t consider either motion a fettering of my discretion. I think there’s a clear difference between these two motions, and I think I understand the difference between the two motions. There is a clear difference between them.

0930

Mr. David Zimmer: But on the second motion, where you say you’ve got discretion and it’s sort of implied in the motion that maybe we think you should exercise that discretion, you’re satisfied that is not fettering your discretion?

Mr. Jim McCarter: It’s basically saying to me, “Auditor, in this case, if in your opinion this is so significant and so time-sensitive, we don’t want you to follow the normal practice of tabling the results of your audit in an annual report, as indicated in the Audit Act; we would like you to move it up. But it’s at your discretion.” That would be my interpretation of this motion.

The Chair (Mr. Norman W. Sterling): Any further discussion before we put forward the motion?

Mr. Ernie Hardeman: I’m sorry, Mr. Chairman, I missed the initial discussion. Were we discussing both motions at the same time?

The Chair (Mr. Norman W. Sterling): Yes. Basically, what I’m trying to do is reach a compromise in terms of what the committee wants to go forward with, and understand the legal implications or the fallout of our doing this, not only in terms of this immediate situation, but looking forward to how the Auditor General functions in general. I guess part of the argument put forward is that should we accept the second motion, that he might choose to do a special report under section 12(1)—which he can do—we don’t need the motion. Mr. McCarter has that power now.

Mr. Ernie Hardeman: I would just like to get clarification on which is motion 1 and which is motion 2.

The Chair (Mr. Norman W. Sterling): Motion 1 is under section 17.

Mr. David Zimmer: It’s the short one.

The Chair (Mr. Norman W. Sterling): It’s the short one, which the clerk put together with me and Mr. McCarter out of our discussions last week. Motion 2 is Ms. Sandals’s motion under subsection 12(1).

The difference in the outcome might be that under motion 1, the Auditor General would come out in

September and say, "I'm doing this early because the public accounts committee understood I was looking into infectious diseases in hospitals. This really comprises part of my report in December, but I'm doing this earlier," and then go through it as part of his annual report. The other would be a special report of the Auditor General, who was alarmed enough to take this issue to the public early; in other words, it puts the onus on the Auditor General to make that decision, and it's not as much a committee decision as in motion 1. Is that a fair distinction between the two?

Mr. Ernie Hardeman: I think the auditor said he didn't feel constrained by either one to make a decision on whether it should be pre-reported or not, because he feels that he still has the discretion of saying whether it's a special report.

Mr. Jim McCarter: My interpretation is that the first one is very specific. It's saying to the auditor: "The committee would like you to table this report as soon as you've completed the work, as soon as you finish this audit." Motion 2, in my interpretation, is saying to the auditor: "It's your call, Auditor. If, in your opinion, it's so significant and your recommendations are of such a time-sensitive nature, the committee is saying that we would like you to table it early. If, in your opinion, it is not so significant or of a time-sensitive nature, then it's your call whether you'd like to follow your normal procedure of including the results of this audit in your annual report, as is your normal practice." That would be my interpretation of the two motions, Mr. Hardeman.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Norman W. Sterling): Part of the reluctance of the Auditor General to do it, under the section motion, might be that he doesn't like to do this very often, because there's probably a sense of urgency with every section of his report. Therefore, the more often he does that, the more expectation there will be, under the Auditor General's act, for him to publish reports all year long. That affects processes to go forward.

Mr. Ernie Hardeman: Thank you.

Ms. Andrea Horwath: Mr. Chairman, in the second motion, can I just ask the significance, if there is any, of tabling the report with the Speaker, and, if it comes before the House is sitting, what that means? If it's tabled with the Speaker, is it public or does it have to go through being tabled in the House by the Speaker?

The Clerk of the Committee (Mr. Katch Koch): No. When a report is tabled with the Speaker it becomes public, but the Speaker will, when the House comes back into session, lay the report on the table formally.

Mr. Jim McCarter: Our normal practice would be that if the House isn't sitting—our interpretation is that once we table it with the Speaker, we can make it public and put it on our website. If we wanted to hold a press conference or do a press release, we could, as long as it is tabled with the Speaker.

Mrs. Liz Sandals: That would be our intent as well, that whether the House is sitting or not, once it's tabled

with the Speaker, if there's urgent information there, we should go forward. I'll repeat for those of you who have come in more recently, our concern is that section 17 is a special report. We don't consider this to be a special report. This is routine. This is a chapter on which the auditor was working anyway. He has the authority, under the act, to release chapters early, if it's timely to do so.

I have no idea what's going to be in the report, nor do any of us. So we think it's reasonable to rely on the discretion of the Speaker, who knows what's in the report, rather than setting the precedent that the committee is going to turn things into special reports, absent any knowledge of the content of the report. I guess I would argue it the other way, that, in fact, it is appropriate to rely on the discretion of the auditor in just the way that the legislation envisions, and we are specifically citing infection control in hospitals, we are explicitly citing *C. difficile*.

So it's not simply parroting the act. We're saying there is a specific issue here that you're looking at, Auditor, and if, on this specific issue, when you've finished the chapter you think you need to get it out there early, we accept your judgment. But we're very nervous about setting the precedent that the committee start cherry-picking chapters on which we really don't have any knowledge and turning them into special reports, and telling the auditor what to do with them, absent any knowledge that we have, other than that you're doing it. We think that it is more appropriate to rely on—we've flagged the chapter that we all agree is a concern. We agree that if there are recommendations there that would help us to manage *C. difficile*, MRSA, VRE, or the other one—it's not that we're saying publish three recommendations, we're saying publish the whole chapter. If it would help us solve the problem to get that information out there early, by all means do so by tabling it with the Speaker. If the auditor wants to have a press conference, that's fine with us. It will become public as soon as he's got the information available and we're quite comfortable with that. We're just very nervous about taking work that is already in progress and arbitrarily turning it into a special report, absent the knowledge of what might be in it.

The Chair (Mr. Norman W. Sterling): The auditor would like to make a comment with regard to part of the second motion regarding the sentence "infection control program specifically looking at *C. difficile*." I don't believe that's what the auditor was doing.

Mr. Jim McCarter: A point of clarification on the wording of the motion: The audit wasn't specifically looking at *C. difficile*. Actually, our audit was looking at the whole area of hospital-acquired infections. The *C. difficile* issue actually came up and received a fair bit of media attention several months after we started the audit. We were actually looking at hospital-acquired infections, which are, as you mentioned, MRSA, VRE—I can tell you, there are four or five very significant ones, of which *C. difficile* was one.

The other thing is we were only looking at this in selected hospitals. We weren't looking at this in all hospitals in Ontario. That's just a point of clarification.

Mrs. Liz Sandals: Would you feel more comfortable if that were to say, “including looking at C. difficile,” instead of “specifically looking at C. difficile?” Or if you have another name you want to give to the chapter, we’re certainly—

0940

The Chair (Mr. Norman W. Sterling): That would be the second motion. Maybe the first motion will carry.

Mrs. Liz Sandals: Yes.

The Chair (Mr. Norman W. Sterling): We’ll talk about the massaging of it, if it comes to that. Andrea, you had—

Ms. Andrea Horwath: I have just another couple of things that I need to get clear in my mind. The Auditor General doesn’t generally tell the committee in advance what pieces of work he’s doing during the year that are likely to come up in the report. Is that correct?

Mr. Jim McCarter: Right.

Ms. Andrea Horwath: Generally, we don’t know until it’s tabled, like everything else. Is that the case generally?

Mr. Jim McCarter: Yes.

Ms. Andrea Horwath: But in this specific case, because of what was happening, we have quite a serious context, I think, with the C. difficile issue. If I recall the conversation of the committee when this idea was first brought forward around being seen to be proactive and being proactive as a committee, I think the Auditor General was indicating that for our information it’s something we should probably know because of the context, because of the serious nature of the issue.

It seems to me that the whole situation that we have in front of us is not normal. It’s quite abnormal and not something that this committee or the Auditor General would take lightly in regard to bringing things forward out of the normal process, which would be the tabling of the report at the end of the year.

With all of those things in mind, it seems to me that motion number one is the one that makes more sense because it does exactly all of those things. It acknowledges the context. It says that the Auditor General has already flagged for the committee that this is out there. Then in the conversation that we had last week, it also says that we think strongly enough about this, regardless of what the recommendations are, that we want to treat it with particular interest or differently.

I don’t think any of those things are problematic, and the way motion number one is written takes the onus to the committee, which I think is appropriate; I think the committee wouldn’t do that lightly. So at this point, with most of the arguments in—I’m sure there are more—I’m leaning toward the first motion. I think you can’t take away the circumstances that are before us, and I don’t think you can take away the fact that the Auditor General did share with us the fact that this piece was being looked at in the annual audit. I think those things are significant and important and I think we need to weigh them in our decision.

Mr. Ernie Hardeman: I guess in understanding the difference between the two, the very reason that we’re here discussing this obviously is because of events of the last number of weeks; there’s a concern in the public. To me, what really becomes important is not what the Auditor General has a right to make a decision on. It’s to bring the information that he gathers to the public as expediently as possible.

If you look at resolution number two, it means that if he thinks that there’s nothing to really get concerned about, that time is not of the essence, then he has no way of allaying the public’s fears, shall we say, because it’s going to wait until the annual report. With motion number one, the results are exactly the same, only he has to report right away that everything’s fine.

I think in both ways motion number one does a better job of serving the public’s needs in terms of what the auditor finds the public will know, rather than having to wait another six months before the annual report comes out to find out that everything is fine.

As Ms. Horwath mentioned, this is not a normal course of events to start with. So I don’t think that one needs to worry about following the normal course of events in case everything’s okay. I think we should get on with getting the report, getting the information and then reporting to the public as to what the auditor found.

The Chair (Mr. Norman W. Sterling): The odd part of the second motion is that if the auditor chooses, the guise that it will be under at that point in time will be a special report. The guise it will be under in motion one will be part of his general report. I would suggest that motion two will alarm the public to a greater extent than motion one in terms of the outcome. If the Auditor General—

Interjection.

The Chair (Mr. Norman W. Sterling): Well, if the Auditor General has to make a decision that the information is urgently out there and he issues a special report, then someone knowing the process will say, “Hey, he’s only done this once before, in the Y2K case, where he had to get the information out in terms of what he was doing in that regard. This is only the second time in recent history that this has been done. But if it’s under motion number 1, “It’s part of his general report, but he though he should get the information out earlier.” I’m just saying that in terms of what you’re asking for in the second motion.

Okay. We have the first motion. Would somebody put the motion forward, please? Mr. Hardeman.

Mr. Ernie Hardeman: I move that the Auditor General, under section 17 of the Auditor General Act, table his report on his assessment of whether selected hospitals follow effective policies and procedures for the prevention and control of hospital-acquired infections with the Standing Committee on Public Accounts as soon as it is completed; and

That prior to the tabling of this report with the committee, the Auditor General may inform the Deputy

Minister of Health of his opinions, observations or recommendations.

The Chair (Mr. Norman W. Sterling): Any further discussion on the motion? Do we want a recorded decision on that?

Interjection: Recorded vote.

Ayes

Hardeman, Horwath, Ouellette.

Nays

Albanese, McNeely, Sandals, Van Bommel, Zimmer.

The Chair (Mr. Norman W. Sterling): That motion failed. We have a second motion.

Mrs. Liz Sandals: Just before I place that, if I may, you are looking at infection control programs. If we put "including C. difficile in selected hospitals," would that be reasonably accurate?

Mr. Jim McCarter: Yes, that would be more accurate, Mrs. Sandals.

Mrs. Liz Sandals: Okay. So, "value for money audits of infection control programs—

Mr. Jim McCarter:—"in selected hospitals"—

Mrs. Liz Sandals: I'll put in "infection control program, including C. difficile, in selected hospitals." We want to accurately describe what you're doing.

Mr. Jim McCarter: "Hospital-acquired infections," as opposed to "infection control program," might be closer but it's—

Mrs. Liz Sandals: Okay: "hospital-acquired infections"—

Mr. Jim McCarter:—"including C. difficile."

Mrs. Liz Sandals: I agree with you that that's probably how they're normally referred to, as "hospital-acquired infections." Okay.

That following the Auditor General's completion of his value for money audit of hospital—I guess we want "control of hospital-acquired infections, including C. difficile, in selected hospitals."

Mr. Jim McCarter: "... prevention and control of hospital-acquired infections, including C. difficile, in selected hospitals."

Mrs. Liz Sandals: Okay: "prevention and control of hospital-acquired infections, including C. difficile, in selected hospitals." We've got that sorted out? Okay: ... if in the Auditor General's opinion his recommendations could have a significant and timely impact on public health, the Standing Committee on Public Accounts of the Legislative Assembly of Ontario calls on the Auditor General to consider using the discretion outlined in section 12(1) of the Auditor General Act to release that chapter of his annual report in a special report to the Speaker.

That prior to the tabling of this report, the Auditor General may inform the Deputy Minister of Health of his opinions, observations or recommendations.

Just to repeat what I said earlier, we are quite comfortable that if there's information that would be useful in managing C. difficile, to get that out early, we are quite happy with it being tabled with the Speaker, the normal process, including posting on websites, press conferences and media releases. We are quite comfortable with the information being made available, not just to the Legislature and the committee but also to the public, because we agree that this is a serious issue. But we do have faith in the discretion of the auditor. If this is information that needs to get out in a timely fashion, we're quite prepared to have it out there.

0950

Ms. Andrea Horwath: I just have a question of clarification now that we're focusing on the second motion, and that is the extent to which this motion is even necessary. Does the auditor not have these powers already? Is this something the auditor cannot already do? This is something the auditor is already seized with in terms of obligations under the act.

Mr. Jim McCarter: I have that authority all the time to do it but, as I indicated, our normal practice, our interpretation of the Audit Act, is the intent is that the auditor will table an annual report every year, and the results of all your audits will go in that annual report unless something is of such urgency. The office has only used that once, in my recollection. So, yes, I always have that discretion.

Having said that, I wouldn't disregard lightly a motion passed by the public accounts committee saying, "In this case, Auditor, we would like you to pay special attention to this particular audit," but it would be at my discretion.

Ms. Andrea Horwath: Can I ask, then: In your recollection of the work of the committee, has there been a similar motion put that asks you to seriously consider your role?

Mr. Jim McCarter: Not that I can recollect.

Ms. Andrea Horwath: So, then how did you make the determination on the Y2K issue?

Mr. Jim McCarter: We basically felt that the Y2K issue was something that, once the year 2000 passes, it really is too late. We felt that it was of such urgency that on that particular audit we decided to issue a report. I actually did that audit. We decided to issue it in June instead of waiting until November of that year because we needed the extra six or seven months before December 31, 1999. That's the only time, in my recollection, that we have used that section of the act.

Ms. Andrea Horwath: So you used that section under your own discretion. There was no direction from the committee to have you undertake that early report.

Mr. Jim McCarter: That's correct. I always have that discretion, but I was indicating the historical practice of the office. Having said that, if the public accounts committee were to pass a motion, I would still have the discretion. It would still be my decision, but I would take that motion into consideration in making that decision.

Ms. Andrea Horwath: Then my next question flows from all of that: By creating a precedent of putting this on

record, the committee asking you to use your discretion, does that in any way constrain you in the future? Would you hesitate in the future without having committee direction, or no, you have that right under the act regardless?

Mr. Jim McCarter: I think Mr. Zimmer asked a similar question. I don't think either motion would fetter my discretion.

Ms. Andrea Horwath: In the future.

Mr. Jim McCarter: In the future.

Ms. Andrea Horwath: Thank you.

Mr. Ernie Hardeman: I think I have similar concerns and questions. Obviously this motion really does absolutely nothing except give you our opinion that, if you find something so urgent in the report that says time is critical, you have the ability to do that. It doesn't say that you should do it with any less direction or any less concern than the law previously gave you. It just says you should consider that, and I have every confidence in your ability, that you would give that due consideration at any time without this motion, that if life and limb depended on it, you would release the report early.

I find that this doesn't do anything that requires doing. It seems to me that if there's a public concern—and there is about C. difficile—regardless of whether your audit is positive or negative, as soon as we could let the public know that, the better off we would all be. This is what I think they call dragging the pocket down. It makes it sound like we're doing something, but we're in fact doing absolutely nothing. When this motion passes, the circumstances will be exactly the same walking out of this room as when we walked in. It changes absolutely nothing, and I think we spent a lot of time counterproductively.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: My question was answered, thank you.

The Chair (Mr. Norman W. Sterling): I just have to express this: Having practised law and looking at subsection 12(1), I find that the motion is more limiting than subsection 12(1). It's a limiting motion in terms of what the auditor can do in terms of issuing a special report, as opposed to subsection 12(1), which just states, "in the opinion of the Auditor General should not be deferred until the annual report, and the Speaker shall lay each such report before the assembly." In other words, it doesn't have to be anything to deal with timely impact on public health at all. In other words, under subsection 12(1), he could release it because C. difficile is an important thing.

Under this motion, it's limiting our Auditor General to a much finer standard of measure with regard to releasing this information. I think it's confining it, rather than opening it. I interpret the motion as such, that you are trying to confine him from issuing a special report in September because he has more powers under 12(1) than this motion contains. I put that forward in terms of—as soon as you start putting conditions on any specific decisions, you take away from his general power.

Mrs. Liz Sandals: I don't think that a motion from the public accounts committee overrides the legislation, so what the legislation says, the legislation says. We are not restricting his power. We are simply noting why the committee is concerned about this issue, which is that the work the Auditor General is currently doing may have a significant impact on public health issues. Because we are concerned the work he is currently doing may have a significant impact on public health issues, that is why we want the auditor to have a look at this. However, there is no way that a motion from this committee overrides legislation, so he has the full discretion that is laid out in the legislation.

I think what is unique about this motion is that the previous case, where something was reported early, if you had left it to December it was quite frankly an irrelevant report, given the Y2K issue. The only way in which a Y2K report had any relevance to anything was if you got it out six months to a year before the clock tripped over. In that case, the criteria were clearly timely or irrelevant.

In this case, this is an unprecedented direction, I think, we are hearing from the committee that says, "We are concerned about C. difficile, we're concerned about the impact on public health and, therefore, Auditor, we'd like you to take a special look at whether the circumstances warrant releasing the report early." I think this is an unusual motion, which gives the Auditor General an indication that the committee thinks this is a serious problem, and we trust his judgment about whether it's necessary to release the information early.

The Chair (Mr. Norman W. Sterling): So your view is that "have a significant and timely impact on public health" is not directing him to the standard or test he should put this to?

Mrs. Liz Sandals: I think he works within the legislation, and this is the committee saying, "This is why we're interested," but obviously his statutory powers the committee has no authority to fetter.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman made the argument that this should be out there for information purposes, whether it was positive or negative. I assume that this motion would not call on the Auditor General to produce his report if it was a positive report. Is that correct?

Mrs. Liz Sandals: Quite frankly, the discussion that we've had previously has not been around "What if the auditor finds everything's working well?" The discussion has been, "What if the auditor finds some things that are quite concerning and has some recommendations about how those concerns have been addressed?" That's what the whole discussion is about: How do we address a concern? It's not about getting a nice report that says everything is going well. If we have a report that says, "Everything's going well," he wouldn't release it early.

Mr. David Zimmer: Mr. Chair, may I address a question to the Auditor General?

The Chair (Mr. Norman W. Sterling): Sure.

Mr. David Zimmer: Mr. Auditor General, do you feel there's anything in the motion under discussion now,

that is, motion number 2, that in any way fetters your discretion of any of the authorities that you hold?

Mr. Jim McCarter: I think where the Chair may be coming from is—basically, under section 12, I have total discretion to decide when I want to issue a special report. It's my call. The motion says if it's significant and timely—does that start to narrow it somewhat? Having said that, I think I would interpret this motion as just the will of the public accounts committee saying that in this particular case, if it's so significant and so timely, "We're just saying to you, Auditor, a special heads-up. We would support you tabling this earlier. Having said that, Auditor, it's your call."

As I said before, it would be my call. Passing this motion wouldn't necessarily guarantee that I would not treat this audit in my normal routine manner and table my annual report. Notwithstanding, a motion passed by the

public accounts committee is taken very seriously by my office, so we would look at this very seriously and make a decision about whether we would table it as soon as completed, under section 12. I would have to say that, as I indicated before, I wouldn't consider that motion as fettering my decision, under section 12.

Mr. David Zimmer: Thank you, Mr. Auditor.

The Chair (Mr. Norman W. Sterling): Okay. There's no further discussion. I don't know how long Ms. Horwath—she may be going to debate, I'm not certain. I guess I'll call a vote. Do you want a recorded vote? Okay. All those in favour? All those against? Carried.

I think we'll adjourn the public portion of the meeting and we'll go into camera at this stage to consider the reports.

The committee continued in closed session at 1003.

CONTENTS

Wednesday 11 June 2008

Special report, Auditor General.....	P-185
--------------------------------------	-------

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer,
Research and Information Services



Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 29 October 2008

Journal des débats (Hansard)

Mercredi 29 octobre 2008

Standing Committee on Public Accounts

Special Report,
Auditor General

Comité permanent des comptes publics

Rapport spécial,
vérificateur général



Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 29 October 2008

Mercredi 29 octobre 2008

The committee met at 1233 in committee room 1, following a closed session.

SPECIAL REPORT, AUDITOR GENERAL

Consideration of prevention and control of hospital-acquired infections.

The Chair (Mr. Norman W. Sterling): Good afternoon, ladies and gentlemen. My name is Norman Sterling, and I am the Chair of the Standing Committee on Public Accounts of Ontario.

Just before we get started, I noticed our member John Yakabuski talking to Dr. Jack Kitts from the Ottawa Hospital. I just want to tell you a little short story to begin the hearing here. Evidently there were six Kitts brothers who come from Barry's Bay. How many brothers were there in your clan?

Mr. John Yakabuski: Ten.

The Chair (Mr. Norman W. Sterling): Ten Yakabuskis. So at any point in time, the Yakabuskis and the Kitts could get up a baseball game, a hockey game, a football game or any kind of game at all.

I was talking to Jack: "Who usually won?" He says, "Well, you know, sometimes we won, sometimes they won, but one thing was for sure. At the end of the game there was always a fight." I said, "Oh," and he says, "Yeah. Not a fight between the Kitts and the Yakabuskis but a fight between the Yakabuskis and the Yakabuskis."

Mr. John Yakabuski: We wanted to ensure that the Yakabuskis would win the fight.

The Chair (Mr. Norman W. Sterling): Anyway, on behalf of the committee, I want to thank all of the people for making the effort to come to this committee. The committee, this morning, from 9:30 to 10:30, reviewed the material prepared by our researchers.

I also want to indicate that this is an unusual hearing of the public accounts committee in that we normally deal with the Auditor General's report, which is produced once a year, usually early in December, and the committee then takes sections from that report and deals with them in the subsequent year. The Auditor General informed the committee that he had been looking at infectious diseases, and in the spring, before we recessed for summer, this committee asked the Auditor General to bring forward his report early—and we want to thank you, Mr. McCarter, for doing that—because we thought it was important for the citizens of Ontario to have this report

out as soon as possible, and we also decided to have this hearing as soon as we possibly could after the report was put out.

It's the intent of the committee to not only encourage the hospitals that have been audited—there were only three of 150 hospitals audited in Ontario. We want the other 147 to respond to the auditor's report and to our report, which we'll be issuing probably within two months as well.

With that, I'm going to ask the deputy minister, Mr. Sapsford, to make some opening remarks.

Mr. Ron Sapsford: Thank you, Mr. Chairman. Good afternoon to members of the committee. I'm pleased to be here today. On behalf of the Ministry of Health and Long-Term Care, I want to thank the Standing Committee on Public Accounts for providing me with this opportunity to address the Auditor General's 2008 Special Report on Prevention and Control of Hospital-acquired Infections.

Let me state at the outset that the ministry fully supports and appreciates the work of the Auditor General to complete this important special report.

Before I begin to address the specifics of the report, I think it's valuable to review the roles and responsibilities of the various players within the province's health system. Under Ontario legislation, accountability for each entity is clearly set out.

The Ministry of Health and Long-Term Care Act establishes the duties and functions of the minister and, through him or her, the Ministry of Health and Long-Term Care, to oversee and promote the health and physical and mental well-being of the people of Ontario and to be responsible for the development, coordination and maintenance of comprehensive health services.

This includes a balanced and integrated system of hospitals, long-term-care homes, laboratories, ambulances and other health services and providers in Ontario, engaged in providing timely and equitable access to health services to all residents of Ontario.

For the first time, I note that local health integration networks have been invited by the standing committee, in recognition of their role in the province's health system.

The Local Health System Integration Act has established 14 LHINs across Ontario. They're an important part of the government's plan to transform the health system, to make it more patient-centred, efficient and accountable based on local planning for local needs.

With the introduction of local health integration networks, the Ministry of Health and Long-Term Care has assumed more of a stewardship role, focusing more on providing overall direction and leadership for the province's health care system. The LHINs are responsible for planning, funding and integrating local health service providers.

The Public Hospitals Act of Ontario sets out the responsibilities of the hospital boards of directors, as well as medical advisory committees of the hospital. The board is accountable for the quality of patient care provided in each hospital in the province.

Each of the regulated health professions, including the profession of medicine, is governed by the Regulated Health Professions Act, 1991, and a specific profession act. Under these acts, each of the professions has a college that is the self-regulating body for its members. The colleges are to protect the public through the regulation of practice of the profession and its members.

1240

Finally, the Health Protection and Promotion Act provides the legislative mandate for boards of health and local medical officers of health. The guiding purpose of the act is to organize and deliver public health programs and services, prevent the spread of disease, and promote and protect the health of Ontarians. Medical officers of health are qualified public health practitioners and are responsible for ensuring local services and compliance with mandatory public health programs in their areas.

Let me now turn to outlining what the Ministry of Health and Long-Term Care has done to help Ontario's health system combat *C. difficile* and similar infectious diseases.

At the outset, I want to acknowledge the seriousness of hospital-acquired infections. Infections cause complications in care and treatment and in some cases can lead to death. That's why, since 2004, following the SARS outbreak in 2003, the ministry has been continually building capacity in the health system to respond to and address infectious disease in health care settings.

Such complex and comprehensive initiatives could not be accomplished in a matter of days, weeks or even months. It's been the dedicated work of many people over the past four years, and will continue over time as we go forward.

None of our accomplishments would have been possible without the exceptional dedication and hard work of ministry staff, local public health units, hospitals and the international experts we've consulted, so I want to acknowledge their invaluable contributions to this work.

The ministry is taking a three-pronged approach to combatting infections in our hospitals. This entails:

- (1) turning expert advice into action;
- (2) supporting front-line health care workers; and
- (3) establishing strong leadership and clear lines of accountability.

First, the ministry is using expert knowledge to understand the science of infectious disease and to combat its

spread. Since 2004, Ontario's Provincial Infectious Diseases Advisory Committee, or PIDAC, which is an advisory group to the chief medical officer of health, has worked in a number of areas with respect to infectious diseases. These include publishing best-practice documents such as:

- a best-practices document for the management of *Clostridium difficile* in all health care settings;

- a best-practices document on cleaning, disinfection and sterilization in all health care settings;

- a best-practices document for infection prevention and control programs in Ontario; and finally,

- a best-practices document on surveillance of health-care-associated infections in patient and resident populations.

Additionally, in 2007, the government established the Ontario Agency for Health Protection and Promotion as a centre for research, for infectious disease control and prevention, health promotion, chronic disease and injury prevention, as well as environmental health. The agency will provide knowledge and technical support to local public health units, other health care providers and ministry partners. The second area is supporting front-line health care workers in their various roles, to help to prevent the spread of infectious diseases.

One of the most important factors in controlling the spread of infectious diseases in hospitals is proper hand hygiene. To change health care practices, the ministry developed the Just Clean Your Hands program, a multi-faceted hand hygiene approach for all Ontario hospitals, which was launched in March of 2008.

The ministry provided hospitals with train-the-trainer sessions, tools, and materials such as educational CD-ROMs, posters, and other visual reminders. All Ontario hospitals attended the training sessions.

The program includes an audit tool to evaluate the program's impact, and a dedicated website provides easy access to information and a place for hospitals to share lessons learned.

Better hand hygiene is not only helping to reduce exposure to infection, but also helps to ensure a safer working environment for health care workers. Hospitals will be required to publicly report on hand hygiene compliance rates for their facilities by April 30, 2009.

Since 2004, the ministry has added 166 infection prevention and control practitioners in hospitals across Ontario, one practitioner for every 100 hospital beds. This represents the best ratio of infection prevention and control practitioners to hospital beds in North America. These health care professionals have specialized expertise in preventing and controlling infection. They work with all hospital departments to prevent health-care-acquired infections through education, surveillance and providing expert consultation. The ministry as well has provided extensive training for these practitioners.

Since 2004, the ministry has also created 14 regional infection control networks across Ontario. The networks are there to assist with coordinating infection prevention and control activities and to promote standardization in

health facilities. They work with infection-control practitioners from across the health care sector, including acute care, public health, community care and long-term-care homes. The objective of the networks is to improve patient and employee safety and increase the quality of patient care by bringing stakeholders together to facilitate access to resources, to align activities and to provide education.

As well, Ontario is creating infection control resource teams to provide rapid on-site assistance with outbreak investigation and management in hospitals. The teams, established through the Ontario Agency for Health Protection and Promotion, will be assembled and deployed to support facilities and local public health units in outbreak situations when the chief medical officer of health determines that a need exists.

The ministry has also developed leading-edge guidelines for the planning, design and construction of new hospitals to improve their ability to prevent the spread of infectious diseases. These new standards on physical design are included in the document called Generic Output Specifications. This will ensure that new hospitals in Ontario are designed to address building-related infection prevention and control issues. For instance, the standards encompass new layouts for clinical spaces so that contamination of hospital equipment is less likely to happen.

Currently, the proposed number of single in-patient medical and surgical rooms is considered by the ministry on a project-by-project basis. However, the ministry is noting a general increase in the proposed percentage of single medical, surgical and oncology rooms in hospital construction. Projects like the Sault Area Hospital, Niagara Health System's new hospital in St. Catharines and the Trillium Health Centre included increases in the percentage of single medical-surgical rooms as a result of discussions between the hospitals and the ministry about the benefits of improvements in infection prevention and control.

Specifically, in the Sault Area Hospital prior to this redesign, the number of private rooms represented 21% of the total, and after redesign, that ratio grew to 45% of the total. In the medical-surgical-oncology units, the ratio is going to be 50%. Niagara Health System's new hospital in St. Catharines' design will provide for 80% of the medical surgical beds to be single accommodation. At the Trillium Health Centre, the new addition increases the percentage of single medical-surgical-oncology beds from 6% to 28% of the hospital's total bed complement.

Finally, the ministry and the Ontario Hospital Association have hosted many educational sessions for hospitals to promote best practice. Among these was one entitled Best Practices for Cleaning, Disinfection and Sterilization in All Health Care Settings and recent training on infection control. These sorts of sessions will continue to be a priority for the ministry.

The third area: The ministry is establishing clear accountability and ensuring strong leadership in our health system to help prevent the spread of infectious

disease. On May 28 of this year, the government announced the patient safety public reporting framework with eight indicators, including the incidence of hospital-acquired CDAD infections—*C. difficile*-associated disease—as part of a comprehensive plan to create transparency in Ontario facilities. Effective September 26 of this year, all hospitals in the province are required to publicly report on CDAD rates and case counts in their facilities through the ministry's public website.

1250

Dr. Michael Baker, who is physician-in-chief at the University Health Network, has been appointed executive lead, patient safety, to oversee the patient safety agenda and to build on the initiatives that I've just outlined. As an indication of how highly Dr. Baker's and the work of others is valued internationally, earlier this month he was invited as a plenary speaker at the 25th annual conference of the International Society for Quality in Healthcare in Copenhagen. Unfortunately, he couldn't be here today, given that he's away today.

The patient safety indicators include not only *C. difficile*-associated disease, but also:

- Methicillin-resistant staphylococcus aureus, or MRSA bacteremia infection rates;

- Vancomycin-resistant enterococci, or VRE bacteremia infection rates;

- hospital standardized mortality ratio;

- rates of ventilator-associated pneumonia in intensive care units;

- rates of central-line infection in intensive care units;

- rates of surgical-site infection; and

- hand hygiene compliance among health care workers.

Hospitals are required to report *C. difficile*-associated disease outbreaks immediately to their local public health units to give medical officers of health the information they need to monitor and to respond to emergent outbreaks. In turn, the medical officers of health, through an established online process, inform the Ministry of Health of outbreaks.

As recognized by the Auditor General, the Ministry of Health and Long-Term Care has made progress and continues to work on addressing the challenges in controlling infectious diseases like *C. difficile* in health care settings. The focus of the ministry's work to date has been on building capacity, increasing resources and now on provincial reporting and intervention as needed.

But hospitals and their staff are key to the prevention, management and control of this disease, and standardized hospital-based surveillance is a critical component of that management. The success of infection control is very much dependent on everyone within the hospital and health care system.

But it does not stop at the hospital door. Everybody, including the broader community, has a role to play in keeping patients safe. That includes such things as washing their hands properly when visiting a patient in hospital and upon leaving such a facility.

This work is challenging for everyone involved. Although the ministry and its partners can and must remain vigilant, infectious diseases are a reality in hospitals across the world, and they've shown a remarkable ability to evolve and survive. That's why achieving a hospital system where there is never an infectious outbreak is not something to which I or anyone else can honestly commit. But I do have every confidence that the ministry's efforts, in partnership with Ontario's health care providers, will continue to help combat infectious diseases in health care settings.

Thank you, Chair, for your attention.

The Chair (Mr. Norman W. Sterling): I'll now call on Tom Closson, the president and chief executive officer of the Ontario Hospital Association.

Mr. Tom Closson: Thank you, Mr. Chair, and good afternoon. My name is Tom Closson. I'm the president and CEO of the Ontario Hospital Association. The OHA is a voluntary association that represents all of the 157 not-for-profit hospitals in this province. I have three colleagues here who represent the three hospitals that were subject to the audit: Dr. Kitts, beside me, as you've already heard, is the president and CEO of the Ottawa Hospital. Beside him is Bonnie Adamson, who's the president and CEO of North York General Hospital. We seem to have pushed Karen McCullough off the table here, so maybe we can slide her over and get her a little closer to you, at least. She is the vice-president, acute care, and chief nursing executive for the Windsor Regional Hospital.

I'd like to begin by thanking the members of this committee for inviting the hospital sector to speak and answer questions about the prevention and control of hospital-acquired infections. Ontario hospitals are committed to accountability and transparency, and we welcome these opportunities to speak publicly about our successes and our ongoing efforts to do better when it comes to patient safety, which is the number one priority of every hospital in Ontario.

I'd like to begin my remarks by making four points, all of which I'll expand on during my remarks and later during the question time.

First, although certain hospital-acquired, infection-causing bacteria like *C. difficile* and MRSA are naturally occurring and will never be eradicated, it is the responsibility of the people who work in hospitals to ensure that any hospital-acquired infections that are brought in from the outside do not spread. Second, by standardizing definitions and promoting public reporting of patient safety indicators, the Ministry of Health and Long-Term Care has given hospitals a powerful tool and a powerful incentive respectively to improve their performance in this area. Third, Ontario hospitals are leaders in adapting evidence-based best practices whenever possible in order to promote the safety of both patients and staff. Fourth, Ontario hospitals are safe places to receive world-class health care, and no Ontarian should hesitate to seek care at any hospital in this province.

I'm going to expand briefly on each of these points. I mentioned a moment ago that certain bacteria are natur-

ally occurring and will never be eradicated. For example, *C. difficile* is a bacteria that appears and is carried in the colons and intestines of approximately 5% of humans who do not have symptoms. When one of these people is admitted to hospital and begins taking antibiotics, the offsetting normal levels of good bacteria in their intestines and colon can be reduced, which allows *C. difficile* to grow and produce toxins. This, in turn, causes diarrhea or more serious intestinal conditions, which is when *C. difficile* leaves the body and enters the hospital environment.

This is just one way that *C. difficile* can enter the hospital environment. I should note that factors such as patient population and types of surgery offered in any given hospital can also have an effect on the incidence of hospital-acquired infections like *C. difficile*, varying from one hospital to another.

To be clear, I'm not attempting to deflect the blame from hospitals or health care professionals with respect to the management of hospital-acquired infections. Rather, I'm simply noting that certain bacteria, like *C. difficile*, are naturally occurring and that these bacteria can be brought into hospitals from the outside world, and because of this there will always be a certain number of cases of *C. difficile* in Ontario's hospitals. Having said that, it's clearly the responsibility of hospitals to minimize the spread of these bacteria through the hospitals to other patients or, ideally, prevent it altogether.

This leads me to my second point regarding the standardization in the use of data. Prior to the ministry's move to standardize the definitions of certain patient safety indicators, including *C. difficile* and MRSA, and compel public reporting, which is something that the OHA fully supports and is working closely with the ministry on implementing, there was simply no way to reliably track patient safety performance across the Ontario hospital sector. Although many hospitals were tracking certain indicators internally, there was no standard definition of these indicators, and results from hospital to hospital could often not be compared to one another. We're now moving quickly toward an environment where definitions are standardized across the province and results are available for everyone to see. In the OHA's opinion, this is very positive. The ministry, hospital management, infection control practitioners and researchers will now have regularly reported, standardized data to use in benchmarking performance and determining, on the basis of the data, how to move forward most effectively. Further, because the public will have access to the data, the public reporting will enhance transparency, incentive performance improvements and ultimately improve the public's confidence in our hospitals.

My third point was that hospitals are leaders in adopting evidence-based best practices whenever possible in order to promote the safety of both patients and staff. As the Auditor General stated in his report, the audited hospitals are all well aware of the importance of preventing and controlling hospital-acquired infections, and some of their infection-control processes were working very well. The Auditor General, on page 29 of his report,

noted that every audited hospital has specially designated infection-control practitioners, some of whom have accompanied their hospitals' CEOs here today and are sitting behind us. Every audited hospital has formal processes in place to prevent and control hospital-acquired infections—on page 10 of the auditor's report—and every audited hospital promoted good hand hygiene—also on page 10—which is incredibly important to preventing and controlling hospital-acquired infections. All three of the hospitals had procedures in place to promote the judicious use of antibiotics, which would help reduce the inappropriate prescribing of antibiotics, which is on page 26. Every audited hospital identifies patients with a high risk of MRSA and VRE, in accordance with guidelines created by PIDAC, the Provincial Infectious Diseases Advisory Committee, the expert body that provides hospitals and the government with advice about standards and guidelines for infection control. That's on page 17 of his report.

1300

According to his report, where the Auditor General noted hospitals can improve was primarily, though certainly not exclusively, in the area of auditing adherence to and the effectiveness of the infection-control policies and systems that the hospitals have in place. These were very valuable recommendations and ones that I've encouraged all hospitals to review.

I'd like to spend a few moments here discussing hand hygiene, a key topic in the Auditor General's report. Hospitals have focused a great deal of attention on improving hand hygiene. The Auditor General noted that hospitals should monitor where prevention best practices, such as hand washing, are conducted in accordance with PIDAC's recommendations—he says that on page 24—and that the ministry should include hand hygiene compliance as part of its patient-safety indicator public reporting regime. I should note here that proper hand hygiene compliance is about providers consistently cleaning their hands in the proper ways. To be clear, providers are washing their hands. What we need to ensure, though, is that they're washing them often enough, at the right times and for the correct duration.

On March 5, 2008, the ministry launched the Just Clean Your Hands provincial hand hygiene campaign. This program is aimed at educating providers through train-the-trainer sessions on the importance and proper methods of effective hand hygiene. Ontario hospitals have embraced this program, which will take a total of 13 months to fully implement, which means that it should be fully in place by April 2009. The OHA and the ministry have partnered to deliver regional training sessions, which were attended by every hospital in this province. Just last week, the OHA and the ministry launched a complementary hand hygiene campaign called Clean Hands Protect Lives, which is specifically designed to educate Ontario health care patients about the importance of effective hand hygiene.

The OHA and its members are also committed to learning from each other. In addition to taking steps to

implement the recommendations from PIDAC's many best-practices documents, there has been the development and dissemination of the Ministry of Health and Long-Term Care's infection prevention and control core competency education program modules. To date, three have been published, including chain of transmission, routine practices, and hand hygiene; CD copies have been sent to all hospitals.

The OHA has also delivered a variety of video conferences, webcasts and education conferences specifically related to patient safety and infection prevention and control, PIDAC's best practices documents and public reporting of patient safety indicators. These sessions are almost always fully subscribed to, demonstrating the interest and commitment among hospital professionals to learn more about ways to deliver the safest health care possible.

This leads me to my final point. Generally speaking, hospitals have sound infection control models. They're committed to using standardized patient safety data and public reporting to drive improvements. They take the recommendations of trusted third parties, like the Auditor General, and incorporate them into their continuous quality improvement programs. They partner with PIDAC, the ministry and each other to share best practices. These kinds of activities and the commitment of the health care professionals who work in hospitals make the care that hospitals provide safe.

However, we occasionally hear about certain cases where a patient has decided to cancel a procedure because they are afraid of acquiring an infection in hospital, based on an article that they read in the newspaper or a story that they watched on television. Stories like that worry me, but the fact that attention has been raised and the fact we can now debate whether proper infection-specific precautions are being measured and reported shows, in my view, just how far we've come on an important topic in a very short period of time.

Can hospitals do better, particularly with respect to infection control? Of course they can. But they're safe, and the patients who are need of care should, without question, go to a hospital to receive it. Frankly, the risks to patients from avoiding a necessary treatment far outstrip the risk of acquiring a hospital-acquired infection, which is a point that I believe the experts would agree with.

I will end my remarks here. Once again, I would like to thank the members of this committee for the opportunity to address you on this afternoon. I thank the Auditor General and his staff for their report and all the recommendations and assistance that they have provided us with since 2006, when they first started auditing hospitals. We truly appreciate it and I look forward to responding to your questions.

The Chair (Mr. Norman W. Sterling): Thank you, Mr. Closson. I just want to ask, given the three hospitals that were involved, would you like to make a very short remark or would you prefer to wait until questions?

Dr. Jack Kitts: We can make a very short comment. I'd like to say that we at the Ottawa Hospital embrace

this audit. I recall the first time the Auditor General called me. I said, "This may sound strange, but I don't feel nervous. I think this is a really good thing to do," and the report didn't let us down. I think that the standing committee's interest in making our hospitals safer is well appreciated by all of us in the hospital sector.

There's no question that the importance of infection control has risen over the last 10 to 15 years in hospitals, received as a turbo boost post-SARS. I think the most significant progress has been in the regional infection control network area. We share patients, and to have one hospital having good practices and the other one not just never made sense. So we applaud that initiative since SARS.

However, as both Tom and Ron said, there's much, much more to be done. In fact, there's so much more to be done, I'd like to make sure that we don't go off in a lot of different, non-focused areas. We should prioritize, focus, practise best practices and, wherever possible, evidence-based ones, because it's a significant investment in hospital funds.

The Chair (Mr. Norman W. Sterling): Thank you very much, Dr. Kitts. Ms. Adamson?

Ms. Bonnie Adamson: On behalf of North York General, I also want to thank the Auditor General for this report. We agree and strongly support the recommendations.

The whole system has been on a learning journey around improvement for infection prevention and control since SARS. The system has learned, the system has improved, and we thank the government for the investments in all the various expert reports, structures and processes that we have all learned from based on evidence, which is critically important, from around the world.

Patient safety: Although it's important that all the reports are evidence-based and implemented, it's also the accountability at the local level to make the change that's required in the organization. At the front line, at the fingertips of all front-line staff, they have the resources, the education and the support they need from the board, from the administration and the accountability systems in place throughout all the structures so that we can execute the very best care for our patients, the safest care for our patients and the safest environment for our staff.

The Chair (Mr. Norman W. Sterling): Ms. McCullough?

Ms. Karen McCullough: I would echo from Windsor Regional essentially the same comments. Then I think I would add that our organization was quite struck by the timing of the call from the Auditor General. It worked very well for us, because we were in the process of kicking off our patient safety campaign within our organization, one of the key elements of course being hospital-acquired infections. It really provided us with an opportunity to do the things that we knew we needed to do that were the right things to do.

Concentrating on public accountability, our organization, Windsor Regional, started in January to publish on

our website, internally and externally to the public, the number of hospital-acquired infections that it was in fact showing. We were also very, very aggressively looking at ways that we could communicate with the public and develop a public relations campaign and a public awareness campaign, so this was very helpful as well.

We really embraced the request for the review. We benefited from it, and I believe that the organization and certainly our region will do the same.

1310

The Chair (Mr. Norman W. Sterling): Thank you very much. Now we're going to go to questions. Basically, the way questioning works in this committee is that we give a block of time to each of the three political parties, as represented by the New Democratic Party, the Conservative Party, and the Liberal Party, and we rotate around the room and try to keep the time between the parties as equal as possible.

I ask that anyone who comes to the front, is giving an answer and is not sitting at the front, introduce themselves, in responding, for Hansard purposes so that it's recorded as to who is responding.

I would add, as well, if someone who is one of the invited guests would like to add to something, please raise your hand. As long as it doesn't get out of hand, we'll call you forward.

I'm going to start the questioning with the New Democratic Party. France?

M^{me} France Gélinas: Oh, there you go. All right, I'll pick up where you just left off. You talked about a learning journey where there is accountability from the board of directors of your hospital to the administration to the staff, and my first question is: Are your housekeeping staff members of your hospital as employees of your hospital, or do you contract out your housekeeping?

Ms. Karen McCullough: At Windsor Regional they're employees of our hospital.

M^{me} France Gélinas: Okay. Then I would be interested in knowing if, in any of the other two hospitals that were chosen, the housekeeping staff are employees of the hospital or contracted out.

Ms. Bonnie Adamson: They're members of our hospital staff.

Dr. Jack Kitts: At the Ottawa Hospital, we have three sites. At two sites it's contracted out and at the other site they're employees.

M^{me} France Gélinas: Okay. Then I guess my question will go to you and you'll be able to talk to me a little bit about both sides of the equation.

She talked about—and I agree—this having been a learning journey for the hospitals in Ontario and other health care providers in Ontario. I certainly agree with the accountability chain that had been put into place, that making our hospitals safe is the job of the board, of the administration and of the staff.

We have also talked about some of the best practices that have been put into place for cleaning, disinfection and sterilization in all health care settings, put forward by

PIDAC, or you pronounce it—anyway, you know what I mean.

Dr. Jack Kitts: Yes.

M^{me} France Gélinas: How does that work, once those people—I'm talking about the contracted-out housekeeping staff—are not part of the chain, they're not part of your staff? Who receives this training? Who gives it? Who is accountable to make sure that all of the contracted-out staff have been properly trained, etc.?

Dr. Jack Kitts: We don't distinguish in that respect. The hospital puts forward policies, procedures, processes, has training and orientation of the staff. Whether it's actual employees of the hospital or contracted-out, they have to follow the policies, procedures, and training methods of the hospital. So we have that aligned; the manager of housekeeping would know that, and we would have the expectations that it would be done and we'd follow that.

Just to follow up, though, housekeeping is an incredibly important element of this, but the other culture that we're trying to create at the hospital is that cleanliness is everybody's job. You can clean a hospital room once a day, and five minutes later there's infection. You can clean it twice a day, and somewhere in between. So I think we have to focus on more than just the housekeepers, make sure that everybody is committed to a clean and safe environment, and that's a challenge.

M^{me} France Gélinas: Okay. So, if the contractor decides to bring in somebody new because somebody calls in sick—the other one is on maternity leave, and then bereavement, etc.—how would you know that this person replacing on the Sunday night shift, when nobody else could be found, has actually had that training?

Dr. Jack Kitts: We would expect that all staff who are working in the hospital are aware of and comply with the policies, procedures and processes of the hospital. Auditing to see whether it happens is a different story, but we would expect our managers to do some audit processes for compliance. But the expectation is, whether you're an employee of the hospital or not, if you're doing work in the hospital you follow the procedures, policies and practices of the hospital.

M^{me} France Gélinas: So those are your expectations but you have no documented way of showing that it's actually happening?

Dr. Jack Kitts: I'm sure that we would hear from the nurse manager on the ward if the room wasn't cleaned or if the housekeeper didn't show up. I suspect that the managers have processes for auditing compliance with the work protocols. These are large hospitals and I expect that there is a feedback loop through many mechanisms, and not just through housekeeping.

The Chair (Mr. Norman W. Sterling): Mr. Closson, did you want to add to that?

Mr. Tom Closson: Yes, I think that this is an important question. Unions and the NDP have been raising this question a fair bit in the media about whether it is preferable or less preferable to have some employees of the organization or contracted-out housekeeping service.

I think it's actually the wrong question. I think the real question is, are the people who are doing the housekeeping adequately trained and are they following the appropriate PIDAC policies related to doing housekeeping? If a hospital has their own staff, we would expect that to happen—that the staff would be appropriately trained. We'd also expect that there's a reasonable amount of auditing, which is, I know, a pretty normal part of management practice in housekeeping to ensure that the policies are followed in terms of how often you do the cleaning and whether you're doing it appropriately. The expectation would be the same if it was a contracted-out service and that would be part of the contract itself—that there would be a process for auditing to ensure that the organization was getting the appropriately trained staff and also that the appropriate policies were being followed to do the actual housekeeping.

It's not a matter of whether they're employees of the hospital or whether they're contracted out. It's a question of whether they're appropriately trained to do their job, whether somebody is managing them and whether somebody is auditing to see whether they're following the appropriate practices. You could have breakdowns in that area whether they were employees of the hospital or not. So we just have to make sure, regardless of which model we use in each and every hospital, that the mechanisms for effective management are in place.

M^{me} France Gélinas: With all due respect, I would beg to differ because I was referring to this learning journey and this accountability chain which starts from the CEO, goes to the administration and goes to the staff. Every time you have a break in that chain, you have a risk to the patient's safety. We clearly have evidence that shows that once you contract out part of the services that are part of that chain, there's a break there and automatically there is a weakness in the chain and there is an issue of patient safety. This is what we're talking about today. I think we all agree that the chain of accountability is something that is important. We are of the opinion that once you have contracted out that service, you actually have a break in that link of that chain and that this is an area that could put patients at risk, which was the reason for—

Mr. Tom Closson: The Ontario hospital's view is that there is no evidence to suggest that one method is preferable to another.

M^{me} France Gélinas: Britain's Royal College of Nursing issued a substantive paper in April that goes exactly contrary to what you've just said. They have seen a drop in standards and a rise in infections directly linked to the hospital that had contracted out their housekeeping services. They attributed it right back, and you said it in your opening statement: that the chain of accountability had been broken. But that was only one of my questions.

1320

Dr. Jack Kitts: But I would argue that's a failure in good management as opposed to the actual employees being contracted out. That's a failure in management.

M^{me} France Gélinas: It's a weakness in the system. I'll let it go around.

The Chair (Mr. Norman W. Sterling): Mrs. Witmer?

Mrs. Elizabeth Witmer: Thank you very much to all the individuals who are here today to respond to questions and concerns that we have.

I would agree, certainly in recent months, there has been a great and admirable effort in order to make sure that collectively, whether it's the ministry or the hospitals or individual groups, we're doing everything we can to stop the spread of the infections. I want to applaud the people for the actions that they have undertaken.

But my question goes back to when the hospitals were first notified of this new strain of *C. difficile*, of the NAP1 strain. When were they first notified?

Dr. Jack Kitts: Being from Ottawa, we—

Mrs. Elizabeth Witmer: You know things first, do you, Jack?

Dr. Jack Kitts: Well, no. We had started in Quebec. Kathy Suh, our director of infection control, says that we were probably aware somewhere in 2003.

Mrs. Elizabeth Witmer: Right. But you're not sure if that was because of information you received from across the border? I guess I'm wondering, were the hospitals notified by the Ministry of Health about that new strain?

Mr. Ron Sapsford: It's a question I can't answer. I can certainly find out if there were formal notifications, but I think, as the disease became apparent, certainly first in Quebec, and as it exhibited itself in individual hospitals, it became more common knowledge. I can find out specifically if there was a notice put out by the ministry or the chief medical officer.

Mrs. Elizabeth Witmer: I'd just be interested in getting that information because I guess it deals with how, in moving forward, we make sure that—

Mr. Ron Sapsford: Mr. Chair, Dr. Gardam is here and perhaps he has some information that might be helpful.

Mrs. Elizabeth Witmer: Okay.

Mr. Ron Sapsford: Dr. Michael Gardam is the director of infectious disease prevention and control for Ontario's new public health agency, as well as medical director of the tuberculosis clinic at the University Health Network.

Dr. Michael Gardam: Thanks very much. Part of my answer to this question is the fact that in order to know you have the NAP1 strain, you actually have to do additional testing, what we call molecular fingerprinting, which is not something that your typical hospital lab would be able to do. Typically, these strains would have to go to a centralized laboratory that would do this.

Certainly we know, going back to 2003, that hospitals that were involved with a Health Canada project were getting some of the NAP1 strain. I remember there was also a great deal of media interest around the UHN. Right around April in 2004, I believe, at Princess Margaret we found out a number of our strains were the NAP1 strain. It certainly was known in infection control circles that this strain had been here at least since then. Before that,

we don't know because we weren't actually looking for the NAP1 strain.

Mrs. Elizabeth Witmer: So it appears that at no time was there any communication from the Ministry of Health to the hospitals. I guess that's what I'm trying to determine.

Mr. Ron Sapsford: And that's what I can't answer, but I'll endeavour to find out for you.

Mrs. Elizabeth Witmer: Okay. I guess the information that I would like to have is, when did you become aware of this strain, when did you communicate with the hospitals and what direction were they given?

Mr. Ron Sapsford: At that time?

Mrs. Elizabeth Witmer: Yes, at that time.

Mr. Ron Sapsford: Chair, if I could, I'll introduce Dr. Mary Vearncombe, who is the chair of the infection prevention and control committee of PIDAC. As well, she's medical director of infection prevention and control at Sunnybrook Health Sciences.

Dr. Mary Vearncombe: When PIDAC was first formed in 2004, it actually recognized that this was a problem. We were watching our colleagues in Quebec with their outbreak and we knew the results of the Public Health Agency of Canada surveillance that was being done, so we knew it was here. The very first document that the PIDAC infection prevention and control sub-committee produced was a document on prevention and management of *Clostridium difficile* in health care settings. That was published in 2004, and there was a collaborative video-conferencing education session held with PIDAC, the Ministry of Health and the Ontario Hospital Association to disseminate the best practices to Ontario hospitals in 2004.

Mrs. Elizabeth Witmer: So in 2004, the hospitals would have had all the information they needed in order to deal with it?

Dr. Mary Vearncombe: They had the best-practices document as it existed at that time. We have learned over the last few years—and the document's actually been updated several times since then as new knowledge has come forward. We've had subsequent video conferences for Ontario hospitals, telling them about some of this updated information.

Mrs. Elizabeth Witmer: What were some of the first best practices to be shared with the hospitals? What direction would have been given to them?

Dr. Mary Vearncombe: We would start with the early identification of patients, looking for the syndrome of onset of diarrhea so that that patient can be isolated immediately, not waiting for laboratory tests to come back; getting the lab tests off quickly; ensuring that you're working with a laboratory that has a reasonable turnaround time for those laboratory tests; and hand hygiene, which is obviously a major component of control.

The cleaning practices are extremely important in managing *C. difficile*. It's a spore-forming organism. It's difficult to get out of the environment once it's introduced into the environment, so there are some very

special cleaning practices necessary. There are also anti-microbial utilization issues associated with controlling *Clostridium difficile*, which are much harder to get at and a much more long-term project.

Early management of cases would, hopefully, decrease the transmissibility.

Mrs. Elizabeth Witmer: So you're saying that in 2004, hospitals would all have received that information and should have started the practices in order to control the infections?

Dr. Mary Vearncombe: It was available in 2004 as a best-practice document.

Mrs. Elizabeth Witmer: All right. What was the ministry's role, then, Mr. Sapsford? If all this was known in 2004, and we subsequently saw outbreaks, what role did the ministry have in ensuring that not only was the information communicated to the hospitals, but that the hospitals were actually following through? Were they being provided with additional financial resources to do so?

Mr. Ron Sapsford: Well, as I've said before, the work the ministry was pursuing was based on the best-practice guidelines, so that people knew the information—and, when an outbreak occurred, how to control it—as well as the educational resources. So the expectation of the ministry would be that this kind of documentation would be used by hospitals. There was not any specific audit to follow up on compliance with that, if that's part of your question. We did not do formal follow-up.

I suppose the other response the ministry made was, where outbreaks did occur and the ministry was notified, to ensure those hospitals had professional expertise and support in the management of it, in the few cases where there were large outbreaks in fact that did occur.

There has not been any specific financial allocation to support this, but in a couple of cases, the ministry has made additional payments to hospitals that have had outbreaks and that have incurred additional costs in the control of or the response to that. So in three cases, I believe, one-time payments have been made to those hospitals to support them financially.

Mrs. Elizabeth Witmer: So I guess, since 2004, although best practices appear to have been shared, it's pretty well left up to the individual hospitals to determine how they are going to move forward. Obviously, there may have been a breakdown in the communications, because we're certainly hearing from some of the hospitals that they didn't receive any information.

I'd just like to ask each one of the CEOs: When were you first notified there was a problem and what steps were you recommended to take? Maybe we'll start with you, Dr. Kitts.

1330

Dr. Jack Kitts: Okay, again, because we have probably a higher number of Quebec patients at the Ottawa Hospital, our infection control group made us aware of this problem in the Montreal hospitals well in advance of it being an issue in Ontario. We talked about it, and the

best practices described in the document are what I think any leading infection control person would recommend to hospitals. I remember the discussions in 2003 around judicious use of antibiotics and getting the medical staff involved in ensuring that we're doing the best practice there.

The most difficult one was the hospitals that have old facilities. We had—I don't know, in 2003—an opportunity in some of the old wards where four patients were in this room and four patients in that room, and there was a washroom in between. You'll recall the history of the hospital. In 2003 we were trying to come out from a difficult merger, so we made the policy that all new construction would be at two to one—two beds to one bathroom—and that we would retro the rest of it to no more than three to one. In the areas where we had to go to three to one so we didn't lose a whole lot of beds, we increased the housekeeping and the practices. We chose beds that would be considered to be less high-risk, less sick patients.

Those discussions happened in 2003, and again, I'm sure when the ministry paper came out, a lot of hospitals were already doing that or doing their best to do it.

Mrs. Elizabeth Witmer: You made an interesting point. There are some unique challenges to older facilities.

Dr. Jack Kitts: The real discussion, and our infection control people will testify, is this whole notion around hospitals being 100%-plus occupied. If we do the best practice in infection control, I'd love to go to one patient per washroom, which I think is definitely the future, but if we were to take our hospital and go to two to one, even, entirely, we'd lose 100 beds. You have to balance that with how you serve your community with less resources, still balance the safety aspects of it.

Mrs. Elizabeth Witmer: Thank you. Ms. Adamson?

Ms. Bonnie Adamson: When the information came in to the North York General Hospital from the ministry, it went to the experts in infection prevention and control and our policies were immediately updated. Processes and education occurred both with the medical staff advisory group, all the physicians, all the professions, and the administration was certainly aware of it because of the heightened awareness across the system.

At that time, in the context, we were also vigorously working on MRSA, VHE and general infection control. While the content expertise was being documented and appropriately put into policies, procedures and education programs, the emphasis is really on hand washing. There was a concerted effort on hand washing throughout that time and an increased awareness from senior staff to front-line staff about the importance of it. Over the last two or three years, you can really see a huge shift in each person understanding the difference it can make to wash your hands, the appropriate times to wash your hands, the appropriate solutions to use and the dramatic impact it has on infections such as *C. difficile*. Once it became more evident and apparent in hospitals as they understood from lab tests what exactly was the cause of the

symptoms, then the formal documentation came forward which goes to senior management and the board, and the quality committee of the board reported directly to them on a very regular basis.

Mrs. Elizabeth Witmer: If I go back—and there has been remarkable progress made; I was saying this morning when I visit a hospital now they always point out to me what they're doing in the area of infection control—I'm incredibly impressed. When I go to an annual general meeting, of course, this is now on the agenda of the boards. We've made great strides.

But what would you say is the main difference right now? The impression is that, at first, hospitals were pretty well determining themselves what it is that they should do. Do you feel there's better support today, better communication today in addressing this issue? What's improved?

Ms. Bonnie Adamson: I would say that all of those things have improved, that there is a significant amount of resources for organizations to use, learn, implement and adapt from a variety of provincial resources, national resources, international resources. The best evidence that's available in the world is at our fingertips. We need to take that into the organization and to implement it.

Again, the change in human behaviour is probably the most difficult part of it. The evidence is clear, people understand it objectively, but getting the change in behaviour is the leadership challenge. I think the public is more aware, people are more understanding of the impact of not washing your hands. So with the resources that we've been provided—Just Clean Your Hands and other areas of programming—I think you'll see a shift in the culture in organizations at the front line and increasing compliance rates of the appropriateness and the compliance of hand washing.

Mrs. Elizabeth Witmer: And Ms. McCullough?

Ms. Karen McCullough: I would agree. I think that the single leading factor that's driving change for infection control practices in the province right now is accountability: internal accountability and external accountability. I think I can speak on behalf of most health care workers: Everyone chose to get into health care to do the best job that they can. It's critically important, and not one of us wants to be in a place where we're not utilizing best practices and reporting that accountability internally to our boards and to the public as to how well we're doing and asking ourselves the question, "Is it good enough?" If the answer is, "It's not good enough," what are we doing, how do we go back and how do we change those practices? That's really key. It's awareness and holding ourselves and the public accountable for results.

The Chair (Mr. Norman W. Sterling): Dr. Gardam, did you have something you wanted to add?

Dr. Michael Gardam: Yes, thank you. I just wanted to make a comment, I've worked in the infection control area for the last 10 years, and one thing that has really struck me is how much this field actually has changed over that decade. It used to be very hard to get people's attention to this area, and that has dramatically changed for the better.

The other thing I wanted to just point out is that I've worked with a number of organizations throughout Ontario, helping them with their C. difficile outbreaks, and one thing which will be a huge help to them is now having mandatory public reporting of raids. Because one of the biggest challenges was that hospitals had a sense they were having problems, they were doing the best-practice actions, they were trying a variety of things, but they had nobody to compare to to know, "Are we really an outlier? Is everybody else having the same problem?" I've already seen, over the last two months now with mandatory public reporting, that hospitals are now saying, "Aha. Now I know where we are, and, yes, we do need help." So that has been a huge benefit for us.

Mrs. Elizabeth Witmer: I want to congratulate you for the work that you have done, because I think you've really brought the focus to where it needs to be. You've made a real difference, I think, as far as protecting the public as we move forward.

The Chair (Mr. Norman W. Sterling): I'm now going to go to the Liberal caucus. Mr. Zimmer.

Mr. David Zimmer: We've had quite a discussion about some of the technical aspects of this issue, but I wanted to just bring a perspective from a constituency level or the public. When this issue got out in the media, my constituency phones and visits and so on just sort of lit up for a while, because of course there was this fear: "I'm going to go to the hospital and I'm going to get some terrible disease and die. I don't want to go to the hospital, and if I have to go to the hospital"—you know, there was a lot of fear out there, particularly with senior citizens and perhaps young mothers and so on.

So my question is—and we've heard a lot about public awareness, public education and all of that sort of stuff. I suppose what really put the fear in some members of the public is this idea of hand washing, which is how it came out in the newspapers. I think all of us—I mean, that's one of the things we learned early on, in kindergarten: You wash your hands and you show your fingernails and all that sort of stuff. So I got a lot of calls from members of the public who just had great difficulty getting their head around this problem of infections in the hospital and somehow relating it to hand washing and so on, and how there could be such a gap between one's basic expectations that they picked up in elementary school about hand washing and cleanliness. Then they read these stories that the report showed that it was the physicians themselves that were really having a problem with hand washing. People were calling my office and just scratching their heads; they could not comprehend this.

1340

So my question is, if the public awareness programs and the public education training leaves gaps or doesn't seem to be taking hold, has there been any thought given to a plan B, if you will, which might include some sort of enforcement provisions or sanctions for folks that aren't doing what they should be doing? What, in this kind of world—and "sanctions" may be too harsh a word. But what sort of sanctions/incentives are out there? Because I

think, in addition to the technical conversation, we should be having a conversation about the degree to which the public's lost some confidence or they've got fear about going to the hospitals. We have to, as politicians—constituency politicians, party politicians—think about restoring that confidence, together with our health care partners. And so these calls to my constituency office—"Mr. Zimmer, they want me to go the hospital and I'm afraid to go," and they're having a major anxiety attack.

Any comment on, if the public awareness stuff doesn't seem to be taking hold, what's the plan B?

Mr. Ron Sapsford: I think the approach that I tried to outline is the approach that certainly the ministry, and I know some of my colleagues, would agree is the best opportunity for success.

So number one: the expertise. What is the disease? You've heard some of the physicians already comment on it being a spore-bearing disease; it's harder to kill; you need to do certain precautionary measures that you might not in another bacterial disease. So what is the expert advice? What are the best practices? The second point is to support front-line health care workers (a) so they know and (b) so they're educated.

The third piece is the accountability piece, which I think you're referring to, particularly on hand hygiene. So the response to that is, we will do public reporting and put it on the website as of April 2009. It's one of public reporting, and I think that all of us would agree that the transparency around public reporting, coupled with the accountability framework that we've talked about—and for hospitals, that is the Public Hospitals Act, the responsibility of board and management. Using the guidelines in the context of the hospital for the hand-washing program is seen to be the best possible way.

I have to admit to you, I'm relying to a degree on the professional responsibility of hospital workers in their professional capacity, and we've heard information today. Health care workers want to do the best possible, and I think, armed with the right information, the expectation of accountability for the performance in this particular area, that the results will be better than average. So the public's concern that you've expressed—we hope that will begin to shift the view of the public to this particular issue.

The Chair (Mr. Norman W. Sterling): Dr. Kitts, did you want to add something?

Dr. Jack Kitts: Just sort of building on what Ron said, back to Ms. Witmer's question: "What is the biggest, most profound thing that's brought infection control to the forefront?" I think it's the admission that patients are not as safe as we once thought they were in our hospitals, and that the actual problem is preventable. However, I'm not sure that boards across the province—I think they're all at very different stages; I think of administrators and so on. I think that if we are going to actually truly change the culture—I mean, the layperson asks, "Why wouldn't the doctors and nurses wash their hands? We do it in kindergarten." I think it comes down

to a cultural change. Nobody comes to work in the morning to do harm, but we've evolved in our practice in a way that I think we need to—and I have this discussion with our infection control people. I think the Holy Grail here is to convince the health professionals that by not washing their hands, they really are doing harm. I don't believe, in their heart of hearts, they believe they are. Until you get that culture where they believe they're going to hurt a patient by not washing their hands, we're going to still have to struggle to convince them.

The Chair (Mr. Norman W. Sterling): Okay, I'm going to go on to Mrs. Van Bommel. We've got to keep going here a little bit.

Mrs. Maria Van Bommel: I have a question I think might best be answered by Dr. Gardam. In the auditor's report, he talks about screening and the whole practice of screening at the time of admission. Certainly the PIDAC makes recommendations on how that could proceed. Is there any value or benefit in screening patients at the time of discharge, especially if they are at risk or at high risk of having acquired a hospital infection?

Dr. Michael Gardam: There certainly is in certain circumstances. The concept of screening people when they're being admitted is to find out who has something before they come into your organization so that you can isolate them appropriately so hopefully it doesn't spread. The concept of screening on discharge is to find out if anything has spread to people.

Certainly, discharge surveillance is an option. For example, at the University Health Network, we do that on some of our floors where we have had problems with MRSA and VRE in the past. That is an added cost, it's an added workload issue with the health care workers, but it certainly is something that is done, probably not as universally as admission screening. But it is one of the tools we have to see what's going on within the organizations.

Mrs. Maria Van Bommel: Thank you. I would like to ask the hospitals here: What is your practice at the time of discharge when you're dealing with at-risk or high-risk patients?

Dr. Kathryn Suh: Dr. Kathy Suh. I'm the medical director of infection control at the Ottawa Hospital. We don't routinely perform discharge screening. We will perform discharge screening similar to what Dr. Gardam said if we recognize that there is an issue with a particular unit, where we've had problems with nosocomial transmission. In those instances, we may perform discharge screening, but it is not a routine practice. We focus more on admission screening.

Mrs. Maria Van Bommel: Do you do anything at the time of discharge in terms of informing a patient of things to watch for, symptoms that might indicate they've acquired an infection?

Dr. Kathryn Suh: I think that can be answered in the context of which organism you're talking about. For *Clostridium difficile*, at our institution we have a patient information sheet that is given to all patients upon discharge that outlines, if they have received antibiotics, the symptoms they should contact their physician for.

That has been available to them for at least a couple of years. For MRSA and for VRE, I think one important thing is that the majority of patients who acquire these organisms don't have symptoms. So if we pick up in hospital that they do have one of these organisms, then there is obviously isolation and education of the patient. But the majority of these individuals will not have symptoms and therefore may not know that they've acquired them.

Interjection: Would you like to hear from us?

Mrs. Maria Van Bommel: Yes, please.

Dr. Kevin Katz: I'm Kevin Katz, the medical director of infection prevention and control at North York General. I agree, for the antibiotic-resistant organisms, with everything my colleagues have said. If there have been transmissions or outbreaks, we will use discharge screening to get a better handle on what's happening.

Just to add to what my colleagues have said, there are certain situations where we will look in the post-discharge period—for example, for surgical-site infections. The definitions include follow-up for 30 days; if you have an implantable device, it will be up to a year. We do extend our surveillance past the discharge period for things like that and we do try to build networks with our partner hospitals that are around us so that if people are discharged from our centre to another facility—if something happens there, we're informed, because it could relate to something that's happened during our admission. Our quality control processes will look back and try to remedy any situations with that knowledge.

Mrs. Maria Van Bommel: Thank you.

The Chair (Mr. Norman W. Sterling): I know there are other people who want to talk on this, but quite frankly, I think we're more concerned, in terms of the auditor's report, about pre-screening rather than post-screening.

I'd like to give it to Mr. McNeely at this point in time.

Mr. Phil McNeely: My question would be for Dr. Kitts. We're very proud of the Ottawa Hospital in our community and we've got the civic campus, the general campus, the heart institute and the rehab centre. You talked a lot about cultural change today, and I'm just wondering if you could comment very briefly on where you are as a hospital in that cultural change, adopting the best practices. Where do you think it is practical to go to? What advice would you give this committee on how we can support what you're doing in the hospitals in Ontario?

1350

Dr. Jack Kitts: Thanks very much, Mr. McNeely. Probably, like all CEOs in Ontario, we owe it to the infection control leaders, whether coming out of the provincial—PIDAC, with its recommendations—or our own infection control experts. We have Dr. Virginia Roth, who's now on maternity leave, and Dr. Kathy Suh, and there's a whole host of them whom we count on to provide advice. They report directly to the vice-president of medical affairs and quality and safety, who gives a report to every senior management on infection control practices and how we might improve them.

The hospital, as you say, has five different sites or programs, if you will, but we have a corporate infection control policy and a corporate infection control director, so they are not different practices or different cultures on each of the sites vis-à-vis patient safety and infection control.

I guess the advice I would say to this committee is, first, as I said in my opening comments, I applaud raising the visibility and raising the bar, keeping it high-profile. There is a public accountability, as well as a hospital accountability. Keep monitoring and supporting us in terms of changing that culture because it is, at the end of the day, very much a cultural change hard for the laypeople to believe—that you have to create a culture committed to cleanliness and safety in a hospital—but it is. It's going to take time, it's going to take effort and it's going to take committees like this, keeping the profile high.

Mr. Phil McNeely: Thank you.

The Chair (Mr. Norman W. Sterling): Could I just ask a question? We have two executive officers from LHINs here. Is there any role that LHINs are playing in terms of trying to keep continuity across their regions with regard to this particular subject? In other words, if there's an outbreak at the Ottawa Hospital, is the Almonte hospital, which is another one in the same LHIN, being advised, or how is that operating? Perhaps you could introduce yourself.

Mr. Gary Switzer: Gary Switzer, the chief executive officer of Erie St. Clair LHIN. Thank you very much.

With respect to our role in this, through our regional infection control network, it gives us the opportunity to pick up on what Mr. Kitts said earlier. We share patients. It's just not the hospitals; it's the entire system. So we're using the network to take advantage of this from a system perspective with our long-term-care homes, with all our community service agencies and with the CCAC as well.

With respect to information that we receive from a provincial basis, we do have access to that information, and our planning department receives information on occasion when these outbreaks do occur. We are flagged through broadcast e-mails so we have a higher level of awareness. But our key initiative now is working through our regional network to look at it from a system perspective to drive those improvements, and drive those improvements through accountability agreements as well.

Mr. David Zimmer: Is there another LHIN?

The Chair (Mr. Norman W. Sterling): Is there another LHIN?

Mr. Hy Eliasoph: Hy Eliasoph with the Central LHIN in the northern part of the GTA. Bonnie Adamson at North York General is a part of our LHIN.

Just to give you a sense of what it looks like from a system level at the local level with the LHINs, Bonnie will know that next month when the hospital CEOs meet with us at the LHIN, as they regularly do, we have some three items on the agenda pertinent to this subject. One is the Auditor General's report and how we are going to work together as a network of hospitals to support, in-

form and coordinate our efforts. Two, we will be meeting as a group as well, on a related topic, to talk about how we're going to manage and work with the report coming out soon on hospital mortality rates. So we're developing a coordinated strategy to look at how we can support hospitals in sharing information, practices and strategies around how to deal with that. I noticed—not that I was looking at my e-mail today while we were here—that the C. difficile numbers have come out, and the same idea applies: that the LHIN's role, really, because we don't deliver services, is supporting the hospitals and coordinating much of what we heard around sharing and implementation of best practices so that we can spread that across the entire LHIN.

The Chair (Mr. Norman W. Sterling): Thank you. I'm now going to go back to France.

M^{me} France Gélinas: Thank you. It was a bold statement, I think, that Dr. Kitts made when he said that hospitals have come to the realization that they are not as safe as they could be and that it is preventable. Certainly, those are the first steps to improvement and to develop best practices and best opportunities for success and accountability. I think it was you, Ron, who said that the increased transparency with the mandatory reporting will improve public confidence in our hospitals and in the public system.

I would be interested in knowing, from the ministry's point of view, what are the ministry's policies that mandate the hospital to report? In your speech, you talked about hospitals being required to report C. difficile and CDAD outbreaks to the health unit. The medical officer of health reports that to the ministry. Are there any Ministry of Health policies that mandate the hospitals to start public communication? Not only do you let the health unit know that you have an outbreak, but do you have policies so that the hospitals also have to let the public know?

Mr. Ron Sapsford: The stage we're at is for the public reporting of the eight or nine different indicators. The purpose, when there is an outbreak, is to achieve containment and control of it so that the spread is minimized, which is the principal reason for the report to the medical officer: so that the expert resources that are needed can be brought to bear. In terms of a response to an outbreak, that has been seen to be the key related issue.

The tracking of new cases is the public reporting requirement at the moment. So on a monthly basis, any new cases will be reported. There is not a specific requirement in this new policy approach where the hospital must do a public notification, except in as far as the cases are going to be reported each month in follow-up. But notice of an outbreak publicly is not currently on the policy requirement.

I think Dr. Williams may want to add to that.

Dr. David Williams: Dr. David Williams, acting chief medical officer of health. It is reportable to the medical officer of health, and then, depending on the situation, they work in consultation with the team on the risk-

assessment management and communication, and where it's necessary—say, if it's a report of an outbreak of two or three cases on one ward, it may not require public notification as long as it is contained and handled that way. But generally, the messaging from the team is that there should be open communication, especially if it has impact on the public or visitors in that context. That is encouraged at each time. Of course, in September we're going to be adding the number of hospitals that have had outbreak reports in the public reporting.

The Chair (Mr. Norman W. Sterling): Mr. Closson, you wanted to—

Mr. Tom Closson: One of the reasons for being of the Ontario Hospital Association is to try to help hospitals understand what best practices there are in other parts of the province and get them to use each others' practices. For us, it's really helpful to have PIDAC there, because they use evidence to figure out what is best practice.

Specifically to the question that was asked, first of all, all hospitals would report outbreaks on their websites, but you have to assume, then, that people go to the websites to find that. Hospitals do, to a varying degree—I doubt if it's highly consistent—put up signs, and also on the phone messages, if you phone into the hospital, that would be the first thing that would come up.

I think probably getting a better degree of standardization in that area probably would be helpful.

1400

Getting back to the earlier comment about the public losing some level of confidence in the health system and being a little afraid to go into hospitals, we do need to be communicating with the public really well about not only what the situation is but also what we're doing about it. Right now the OHA is actually doing a review of all of the hospitals in the province to see the extent to which they're using PIDAC's best practices for infection prevention and control. We're going to understand: If they aren't, what are the barriers? There has been no comprehensive audit in the province of the extent to which each and every one of the 157 hospitals are following those best practices. We're going to find out, and we're going to find out what the barriers are that they see in terms of trying to get the practices in place. As we keep deciding on what are more and more best practices, we need to disseminate them and we need to make sure people are using them.

M^{me} France Gélinas: Relating to my question, I asked the ministry, and the ministry said no, they don't have any policies that direct communication from the hospital to the public. You've mentioned that many of your members do it, but it's not standardized and it varies from hospital to hospital. I'd like to ask any one of you—pick among yourselves: If you've had a C. difficile outbreak, when did you start to communicate to the public at large and the community you serve? What were the triggers that made you decide it was time to go and tell the public in your community?

Ms. Bonnie Adamson: We have not had a C. difficile outbreak, but we've had other types of outbreaks. It's

signage and letters to the patients and their families in our organization on a routine basis.

M^{me} France G  linas: So it's signage, and you go to the patient and family. You never go to the community as a whole?

Ms. Bonnie Adamson: Not as a public release. We deal with patients and their families that are affected only.

Ms. Karen McCullough: We do exactly the same. We've not been in a situation where we've had an outbreak, but on an individual patient basis, if they do receive or acquire a hospital-acquired infection, it's an individual, direct communication with the patient and the family, face-to-face written communication, a follow-up letter, communication amongst the staff and reporting through our infection control committee. We also report each time we have a hospital-acquired infection in our hospital. We send out an e-mail to all of our leadership teams so they're aware of the fact that we do have a hospital-acquired infection and that we need to take some steps to make certain that we have no more following.

M^{me} France G  linas: If you had an outbreak, would you ever communicate that to the community you work in?

Ms. Karen McCullough: Absolutely. That's something our organization would believe that we would need to do. We have not had one, so I couldn't outline the steps in the process for that, but disclosure is incredibly important in health care these days.

M^{me} France G  linas: Do you have an internal policy that has to do with public disclosure or communication to the public or anything like this? Or is it your common sense that would tell you, "We want to be transparent. We want to be accountable. Therefore, we'll tell"?

Ms. Karen McCullough: We would have nothing specific in writing to guide our organization in that particular incident right now. Just philosophically, our organization is about disclosure, so if we had an outbreak we would disclose it.

Dr. Jack Kitts: I think that's an excellent question because I think every hospital does their own. Within that you have to determine what is the outbreak, where is it and what would informing the public do to help you prevent it. With each outbreak, we sit with infection control. If it's self-contained, there aren't a lot of visitors and it's a certain unit, maybe not; maybe you don't. If it's something where you can appeal to the public to help you by staying away, not visiting, things like that, we balance the scare of the public not coming for care that they need versus informing them that there's a concern. I hate to say it, but the answer is, it depends. I think the one that we publicly reported and it went out in advance was the MRSA outbreak in the neonatal unit last Christmas—the staph. aureus outbreak in our neonatal unit. We went out and asked the public not to come, and things like that.

It's much better to get it out there proactively than to have the fear in the media, but we do go to the media regularly if we believe the public needs to know and can help us with the outbreak.

The Chair (Mr. Norman W. Sterling): Can I just interject here? As I understand it, C. difficile is now being reported publicly by the ministry, as of September 30.

M^{me} France G  linas: By each hospital to the ministry, and then to the public. But it's available after the fact.

The Chair (Mr. Norman W. Sterling): Oh, I see. So you're saying that it's the lateness of the report that is your issue?

M^{me} France G  linas: Oh, no, don't get me wrong. This reporting is very good, and I'll agree with everybody that because we have transparency at that level, it will increase confidence in our hospitals. There's a strict guideline from the ministry that as soon as you have an outbreak, you report to the health unit, and the medical officer of health reports to the ministry. There's a whole chain of command and it's working well.

I was just wondering if there is a similar process that would trigger a communication to the public while it's going on, not a month down the road on the website, although this is very useful. Specifically, you said that you had a—

Dr. Jack Kitts: Staph. aureus.

M^{me} France G  linas: —outbreak in a particular unit. What were some of the triggers that made you decide that you should let your community know that this was going on?

Dr. Jack Kitts: For me, as the CEO, it's often that the infection control expert comes to me and says, "We have an outbreak. We've been working on it. We've been using all the best practices. We're not getting a handle on it. We need to inform the public."

Kathy, could you come up here and say what triggers you to feel that the public needs to be notified?

Dr. Kathryn Suh: I think it really is a very individual decision based on the population you're dealing with and what the ramifications are to the public, and I think that has been well stated here. I think if we are faced with an outbreak where we are implementing our best-practice measures for health care providers and other individuals working within the facility and we are still not able to control transmission of an organism, then we tend to focus more on visitors and trying to restrict unnecessary visitors from coming in. We may actually ask for additional precautions to be used by some of those visitors, but it really depends on what the population is exactly, whom you would notify. In this particular case, in conjunction with our high-risk prenatal colleagues, we had a mechanism to inform mothers who were imminently about to deliver that we were having a problem and that their care would be directed elsewhere if possible. But I don't think there's a rule that any institution can really go by that would be a sort of checklist for dictating how and whom you would notify.

M^{me} France G  linas: So, using your clinical skills, you make the best judgment, you advise your CEO. Would you say that this is the way it would work in most

hospitals? People would put their clinical skills together, advise the CEO and—

Dr. Kathryn Suh: I think so. Within our community of infection control professionals and physicians, there certainly is a lot of advice that is shared among the groups. So I think if we are having problems, we all call on our colleagues for advice because they may have handled similar situations and have some advice for us.

Mr. Tom Closson: I think the question you've raised is a really good one, and it's one that we were asked when we were meeting with the media leading up to the initial public reporting on C. difficile. The term "outbreak" is somewhat misleading, because it's a bit of a mathematical calculation. It's not like, outbreak, everybody's at risk. It just says that there's a little bit more than there was a month ago and it flags the fact that we need to be aware of that and see whether we are managing things appropriately.

The real question comes back to who's at risk and notifying those who would be at risk. If there is an outbreak of C. difficile as it has been defined in a particular place in a hospital, that doesn't mean all other parts of the hospital are unsafe to be in at that particular point in time.

Having said that, I think all of us in the health care community have an obligation to the public for full disclosure. Sometimes, if we don't make sure that the full information is out there about what's going on, somebody in the organization phones the media, and then the media puts a story in there that actually could be quite misleading, and that could get the public more upset.

1410

I think this is probably an area we could work on a bit, in terms of coming up with a little bit of clarity and suggestions to hospitals in the province as to the extent to which you use the various mechanisms—your website, your telephone system, signs in the local area, letters to certain people, signs on the outside of the hospital. I think it is something that we've been thinking about but as of now haven't really worked on. I think we could work with PIDAC on something like that.

M^{me} France Gélinas: Thank you. Do I have time?

Interjection.

M^{me} France Gélinas: Oh, Ron, did you want to add something?

Mr. Ron Sapsford: I just wanted to add that the public health system deals with over 2,600 outbreaks every year, again, based on this mathematical calculation. So there is a degree of judgment required as to when do you communicate with the public, because in many cases they may be very isolated, very contained and not really an issue of public risk. In other cases, of course, an outbreak can bring significant risk. I think I'm just seconding the idea that making something public is for a specific purpose as opposed to a general purpose, and that requires some evaluation of what the outbreak is, what its condition is, who it affects and how we can control it.

M^{me} France Gélinas: I get from the comments that were made today that there's room for improvement in

there. Would it be mandatory for every case? Probably not. But would it be that everybody makes their own clinical judgment and no guidelines from the ministry on public communication—the hospital association realizing that their members are not always very consistent in the way they handle it—to single hospitals having to deal with it? I'll leave it at that—that we realize that not every outbreak will make the headlines of the Globe and Mail, but at the same time that no guidelines coming from anywhere are maybe not serving our population the best either.

It was mentioned in the auditor's report that one of the hospitals—unfortunately, I forgot which one—is doing a trial for universally screening all patients for MRSA and VRE. Which one—

Interjection.

M^{me} France Gélinas: It's you? I know that it won't be completed till January, but just to give us a sense; it seems so overprotective. But anyway, I'll let you tell us how it's going. And do we have an early peek as to what this research will lead to?

Dr. Jack Kitts: I think if we go back to the MRSA history, our infection control people told us back in 2001-02 that we were pretty confident that we could identify patients coming into our hospital who had come from an at-risk environment: They were coming from long-term-care homes, hospitals in the States, things like that. So identify them up front: Are they at risk? If they are, let's screen them and see if they have the MRSA bug.

It became evident over the next couple of years that there were more breaches in terms of identifying who's at risk, and therefore there were breakdowns in the screening. So if you have a screening mechanism that doesn't work, the question then becomes, do you stop it or do you screen everybody? The discussion around the senior table was not easy. The implementation of universal screening in our hospital was an investment of over \$1 million in trying to prevent MRSA outbreaks.

M^{me} France Gélinas: For that one year for that one unit?

Dr. Jack Kitts: For one year for the whole hospital.

M^{me} France Gélinas: For the whole hospital.

Dr. Jack Kitts: Yes. We're doing it hospital-wide. So if we can prevent an MRSA outbreak, if we can prevent a loss of life or limb, that's worth it. But we agreed at the senior table that if we were going to make an investment of this kind, this magnitude, we have to have a way to evaluate whether universal screening is better than specific screening. So Dr. Worthington, who's here—he's the vice-president responsible for that—has put together a framework for monitoring the evaluation, which will be discussed in January, because budgets are tight and there are lots of other important things. I hope we'll be able to prove that it's been highly effective in saving costs from outbreaks and saving life and limb of infected patients. We'll see.

M^{me} France Gélinas: I think I heard somebody confirm this and I read it in the auditor's report, but right now we don't know the costs to our hospitals and our

health care system of hospital-acquired infection. Do you know it for your own site?

Dr. Jack Kitts: I think what you could do is try and cost out the entire impact of an outbreak, but it is extremely widespread, extremely complex, cohorting patients who were in a two- or three-bedroom into one room, cancelling elective surgery because you don't have the beds—the domino is immense. Suffice to say that the cost of an outbreak is immense and probably far more than anyone would measure.

M^{me} France G  linas: Okay.

Mr. Tom Closson: PIDAC's best practices for the infection prevention and control program estimates that antibiotic-resistant organisms increased direct and indirect costs to hospitals by an additional \$40 million to \$52 million a year in Canada. These were expenses associated with readmission due to infection, prolonged length of stay, prolonged wait times, longer staff hours. Now, that's for all of Canada. Actually, to me, the number sounds a little bit low, because if that's what it is, I expect we're going to spend more than \$52 million trying to reduce those costs. If you can spend \$1 million in one hospital just to do universal screening and the savings to the whole of Canada from doing everything is \$52 million, it doesn't seem to be a cost-benefit other than the fact, obviously, that patients are harmed by what happens here.

M^{me} France G  linas: Right.

Mr. Tom Closson: So I'm not sure, based on that, that we actually have a full grasp of what the true cost is.

The Chair (Mr. Norman W. Sterling): Dr. Gardam, did you want—

M^{me} France G  linas: That's the impression I had, also.

Dr. Michael Gardam: I just wanted to make the comment that in organizations I've worked with on their C. difficile outbreaks in Ontario over the last two years, their additional costs in terms of trying to control those outbreaks have ranged anywhere from \$750,000 to \$3 million or \$4 million, depending on the organization. That's specifically related to C. difficile. The way they've calculated that is not an actual theoretical model, but actually adding up all their costs at the end when they've hired more housekeepers, they've brought in new product and they've done a variety of things. That's the kinds of costs that they were talking about for those outbreaks.

The Chair (Mr. Norman W. Sterling): Okay. Now we're going to go to Mr. Ouellette.

M^{me} France G  linas: What happened to my extra minutes?

The Chair (Mr. Norman W. Sterling): You're over by a minute. You got your extra minute.

Mr. Jerry J. Ouellette: Just to follow up on the notification and communication, there's been a lot of discussion about within the hospital structure system. However, are there any protocols for notification and communication that play out for long-term-care facilities, Deputy Sapsford?

Mr. Ron Sapsford: Public reporting?

Mr. Jerry J. Ouellette: Yes.

Mr. Ron Sapsford: No.

Mr. Jerry J. Ouellette: So what would the protocols be in the event that a hospital perceives that a long-term-care facility happens to be an identified site or a high-risk site? What are the notification requirements for interaction between the two or within the facility itself?

Mr. Ron Sapsford: Long-term-care outbreaks, again, are through the health units. So the medical officer of health would be notified and then, accordingly, the control measures would be brought into place. Similarly, if there's a patient identified, for instance, at a hospital, then communication between the hospital and the long-term-care facility would ensue. As to the detailed response of the health unit, I'd ask Dr. Williams to speak to that.

Mr. Jerry J. Ouellette: Okay.

Dr. David Williams: I guess historically, because long-term care is under a different act, they do have a closer working relationship with the public health unit so that the medical officer of health and staff do give support to that and, as a result, are involved in any notification of cases and outbreaks, and we're going to team partnership to deal with the outbreaks as they have done with your gastrointestinal, respiratory or otherwise, for a number of years now.

Mr. Jerry J. Ouellette: Mr. Closson, a question: To your knowledge, has there been any communication by any of the health insurance providers that hospital infectious diseases may not be covered by that insurance provider?

Mr. Tom Closson: You're talking about for extended health insurance? Like private and semi-private?

Mr. Jerry J. Ouellette: Yes. We understand that in the United States there's been notification to health care providers that the insurance providers are pulling away from providing service at certain sites.

Mr. Tom Closson: I haven't been notified of anything like that. However, if a patient needed to be put in a private or semi-private room to be isolated from other patients, then the insurance company, I'm sure, would not want to be paying for that because the patient needs to be in that room for medical reasons, as opposed to that they chose to be in that private or semi-private room. I don't know if that's what you're getting at. I suppose if the insurance company felt that somebody was trying to pull a fast one on them, they would—but normally a hospital would not charge the insurance company for a situation like that.

1420

Mr. Jerry J. Ouellette: Dr. Kitts?

Dr. Jack Kitts: It's an excellent question. Many insurance companies are now making overtures that they're not going to cover for semi-private, because many hospitals have gone to two beds to a room, so why would they pay a differential for that?

We believe that the right result in the future is one patient per room, in which case the whole insurance for semi-private and private goes away. The providers are

very much aware of that and it is decreasing. It is a substantial revenue for hospitals, so hospitals have to be aware that as we move forward with better infection control practices, the revenue stream from insurance does go down.

Mr. Tom Closson: I didn't understand that that was the question you're asking. The government of Ontario only funds hospitals about 85% of their true cost of operating. It varies a lot from hospital to hospital. So they use other sources of revenues to attempt to balance their budget, and preferred accommodation revenue is a big part of that. At a place like the University Health Network where I used to be the CEO—that's Toronto General, Toronto Western and Princess Margaret—I'm going from memory now, but it's probably as much as \$15 million, \$20 million, a year in private and semi-private accommodation. So if you built a hospital with all private rooms, you'd have to figure out where the money was going to come from to actually make up the difference that's now being paid for by the insurance companies.

Mr. Ron Sapsford: Just on the point there, there has been a growing trend in other countries, particularly the US, not so much on the payment for private rooms, but where there are hospital-acquired infections, of insurers taking positions that they won't pay for the coverage of that and that that should be the responsibility of the hospital. It goes along with the increasing emphasis on quality assurance and quality outcomes and where the outcomes are as a result of misadventure inside the hospital—that third parties should not be responsible for it. I think that perhaps is part of what you were referring to. Being the insurer in Ontario, however, we have not yet taken that position.

The Chair (Mr. Norman W. Sterling): I might add at this juncture that it's our hope—I've gone to the various parties—to complete the hearings by 3 o'clock, before routine proceedings take place, because we can't have a committee sit during that period of time. We'd have to recess for three quarters of an hour and require everybody to come back. So those people who have travel plans can be assured that we'll try to complete it by 3 o'clock.

Mrs. Witmer.

Mrs. Elizabeth Witmer: I would like to first of all thank the Auditor General for what I think is an excellent report, and also for raising the awareness and providing us with some great recommendations as to how we can move forward. I think it was certainly acknowledged that the hospitals that were visited are doing the best job they can. However, there was also an indication that there's room for improvement.

Of course, one of the areas mentioned was the fact that the use of antibiotics has contributed to the problems that the hospitals face with this increased incidence of C. difficile and MRSA. He has also pointed out that hospitals are all doing something just a little bit differently in monitoring this.

I would ask the hospitals, and I know that the ministry is undertaking a study: What needs to be done and how can we ensure that there is judicious use of antibiotics?

Mr. Tom Closson: I'll just start generally on this issue. This is something we've discussed a lot with Dr. Baker, who's leading up the work for the ministry. We do believe that this is a significant issue in terms of antibiotic resistance, and it's obviously a significant issue in terms of the cost of running hospitals too, because if we're over-prescribing antibiotics, it's a bit of a waste of money. This is something that would tend to be dealt with through the medical advisory committee of a hospital, because they would be looking at what the prescribing practices are and the extent to which the hospital or the medical department heads and the MAC would want to manage that process. Some hospitals are farther along in that regard. There is work going on, and I think that's probably what you're referring to. The Ontario Agency for Health Protection and Promotion, of which Michael is now part, but also the Institute for Safe Medication Practices Canada, which Dr. Allison McGeer from Mount Sinai is quite involved with, have been working on a program to support hospitals and actually managing antibiotics well. So there's lots of room for improvement in this area, but I think we are going to get some assistance.

Mrs. Elizabeth Witmer: I guess what I see here is a recommendation that there needs to be some assistance, there need to be some guidelines. The hospitals simply don't all have the resources—nor should they—to be operating differently.

Dr. Michael Gardam: Yes, I would certainly echo your comments that this is a very important area. It's also an extremely challenging area, for a number of reasons. One, we're talking about physician prescribing practices. That is a challenging area to get a handle on because it means that somebody has to be overseeing those practices and commenting when they're not necessarily appropriate. Even large teaching hospitals that have a number of infectious disease physicians and microbiologists find this challenging, because essentially the best practice documents talk about having somebody overseeing this full-time. So you can imagine, if academic centres are having a challenge—smaller centres don't have those people—it becomes very difficult to actually be able to oversee this. That being said, the work that others have mentioned is looking at the lay of the land right now, what work is being done out there, and is there potentially low-hanging fruit that we can jump on and work on? But there's no doubt going forward—and this will take, I think, many years—that this is something of great interest to the agency as we try to chip away at this problem. But it will be a very long-term strategy.

Mrs. Elizabeth Witmer: So you don't see anything in the short term, any guidelines being provided to the hospitals?

Dr. Michael Gardam: As I was mentioning, there certainly is some low-hanging fruit—for example, making sure we're standardized around which antibiotics to give to people prophylactically when they have surgery. There are some things like that where there are existing guidelines that are relatively easy for us to disseminate, for pharmacists to follow up on, for hospitals to

have order sets that are following this. So there are some things we can definitely do there. Other issues that involve somebody coming in with pneumonia and a doctor choosing antibiotic A versus B—that's going to be a little bit more difficult because we're going to have to have somebody oversee that and be able to make a call on whether that was the right drug or not.

Mrs. Elizabeth Witmer: What about the area where, again, it was noted that there was some room for improvement? Is the fact that the hospitals had different policies on when to isolate patients with infectious diseases in private rooms—what type of guidelines or directions might be given by the ministry or yourself?

Dr. Michael Gardam: PIDAC certainly has provided guidance on that. There's always allowance for some wiggle room. The reason I say that is because if you've got a newer facility that has many more single rooms, it is far easier to bring in policies that perhaps may be more aggressive. For example, some hospitals will assume you have something until we've proven you don't have it. In other words, we will isolate you while we're waiting for the results to come back. If we were to do that at the UHN, we would be in big trouble. We don't have enough single rooms to be able to do that. So if a hospital has the ability to do that, great; good for them. They should go ahead. For other facilities, the physical limitations don't allow you to do that.

PIDAC does have best practices, and it's been my feeling that in general, that's an area where people are fairly consistent. If they're doing more, it's because they're able to do more. This is something that I hope becomes a thing of the past when we start building hospitals with 100% single rooms.

Mr. Tom Closson: I'd just like to speak to the capital piece, which I think is very important here. The average hospital building in Ontario is 46 years old, and we figure there's about \$8 billion of capital construction that needs to take place to bring hospitals into more modern design. That actually was before we got the sense that we should be having a lot more single rooms, so probably, if we looked at it now, we'd come up with an even bigger number. But the public-private partnerships model has allowed us to move ahead, and there are \$5-billion worth of capital projects that are ongoing right now. I think Ron referred to a number of those projects where decisions had been made, almost on the fly, it seems, to increase the number of single rooms just to try to address this issue. But for older hospitals—and UHN isn't all that old, because Princess Margaret was 1998, and Toronto General and Toronto Western—a lot of them have been rebuilt, but the designs were done before people realized how significant this issue was. With hospitals operating at 100% capacity, it really is a challenge to do what—and that's why, as Michael says, different hospitals do different things, because they're just trying to cope with how to deal with their situations.

1430

Mrs. Elizabeth Witmer: I guess that's my concern. I would say, based on all that we've seen, that I personally

think hospitals have done an admirable job of coping and responding to the outbreaks of disease that they've encountered. But there is obviously a need for some support; there is a need for some guidelines.

I think you have raised a really good point. If the recommendation is that there needs to be more of these single rooms, how do we make sure people in the older hospitals are protected? Is there anything contemplated, Mr. Sapsford? Some of these projects are on hold. We've got old, decaying, decrepit hospitals. Nothing is happening. They don't have private rooms, let alone sometimes enough of the semis. What needs to be done? It seems to me, there's a lot that needs to happen very quickly.

Mr. Ron Sapsford: Of course, the long-term solution is either renovation or reconstruction. As Tom has said, there's quite an aggressive capital program going on. So as we look at new construction, whether these are full new buildings or whether they're renovating to include more of the environmental solutions—hand-washing sinks, flow of clean and dirty supplies through a unit, as well as the question of number of beds—it will be part of the design criteria.

For hospitals that are basically operating without a capital program at the moment, they're more into these operational considerations, so that when an outbreak occurs, cohorting of people, using semis for only one patient—which then causes operating pressure in terms of the number of patients the hospital can deal with at any one time. But beyond those kinds of operating considerations, there's not very much one can do when you're in the midst of an outbreak; hence, the identification, isolation and control of an outbreak is the most expedient response that a hospital can make when there is a problem.

Mrs. Elizabeth Witmer: I realize I have just a few minutes left, and you can certainly try to respond, but I want to ask the three hospital leaders that are here today: What additional tools do you need to ensure that you can do everything possible to, first of all, prevent these outbreaks, and if they occur, to obviously make sure that you respond to them as quickly as possible?

Dr. Jack Kitts: I think that's an excellent question. We know what the right answer is: It's single patients per one bathroom, one-patient single rooms. I would follow up on the capacity and indicate that we could free up significant acute care capacity if we could move the alternate-level-of-care patients to the appropriate level of care—I would argue probably, in some cases, a 30% to 40% increase in capacity, which would allow us to practise better infection control patterns.

Mrs. Elizabeth Witmer: And Ms. Adamson?

Ms. Bonnie Adamson: I would agree with Dr. Kitts. Currently, we have 50% of our medical beds with patients who belong in—

Mrs. Elizabeth Witmer: Fifty per cent?

Ms. Bonnie Adamson: Of our medical beds, so we have 80 patients most days out of 150 to 160 beds who belong, about 50% of them, in long-term-care facilities and the other 50% in either rehab beds or complex con-

tinuing care. That creates congestion in the medical wards. The emergency room gets backed up. We have 100,000 visits every year. Every morning, we have 20 to 30 patients waiting for admission in those beds, and it backs up right into the waiting room. So that is a flow issue, but it translates into a very high-risk situation for infection control prevention. So that's a huge—working the system to work together to move these patients, and there are a number of strategies on the table about making that happen.

Mrs. Elizabeth Witmer: Thank you. Ms. McCullough?

Ms. Karen McCullough: I wish I couldn't relate to that.

Mrs. Elizabeth Witmer: How high is your ALC load?

Ms. Karen McCullough: Our situation load is not all that different.

I would be thinking of a slightly different tool, though, and a little bit more global. I believe a lot of the problems could be resolved by improvements in technology. If we had electronic patient records, if we had physician portals, if we had documentation systems that basically were seamless to our patients, we wouldn't all be in a situation where we're trying to figure out whether somebody has MRSA or VRE; we would actually be tracking that patient through the system. We would be able to monitor and track the utilization of antibiotics. We would be in a much more knowledgeable situation, where I think in the future we would be able to better manage, control, make informed decisions, and work with our patients and communities. So I see technology as a huge tool.

Mrs. Elizabeth Witmer: Speaking on behalf of the hospitals, Mr. Closson, what tools do you see the hospitals requiring? Maybe you would agree with both of those points.

Mr. Tom Closson: I think both of those issues are really high priorities.

I think the hospital sector would say that the most difficult thing they're facing at the moment is the ALC issue. It's 20% of beds overall. About 37% of medical beds in the province have people who would be better cared for in the community. So this isn't a matter of adding more hospital beds; this is about more home support, more assisted living etc. Having said that, as you know, the ministry has appointed Alan Hudson to work on this. We're working very closely with Alan, and we hope that the initiatives that have been announced will actually make a big difference in this.

On the e-health side, I couldn't agree with that more—having electronic health records so we get better surveillance. A new public health surveillance system for all of Canada, which is being developed in BC, will be going into place. Ontario is one of the first provinces to implement it. We need to link better into the hospitals. The government has said that e-health is a priority, so I'm hopeful that we'll make progress in that area as well.

Mrs. Elizabeth Witmer: Well, Dr. Hudson has the responsibility now.

Mr. Tom Closson: He's got that one. Sometimes I wonder what we would do without Dr. Hudson.

Mrs. Elizabeth Witmer: I'd ask you, Mr. Sapsford—and you've done an admirable job as the deputy for a number of years now: What tools do we need to provide for hospitals or for the ministry? Is there something that's needed that could be done?

Mr. Ron Sapsford: I think I would agree with my colleagues about electronic information. If you go back to 2003 to SARS, you'll remember that many of the control mechanisms were done on pieces of paper. We move in a very fast-paced environment and a very complicated environment in hospitals. Anything we can do to speed the flow of information allows us to respond more quickly and to put the necessary control mechanisms. The Panorama system that Tom referred to, which is the public health part—the surveillance, tracking and monitoring—will include immunization, so that over time, Ontario citizens' immunization histories will be a much better clinical management tool. I think any investments in those areas are very important.

I think of the continued work of PIDAC—you yourself mentioned the antibiotic usage—anything that looks at the culture in which health care operates around this area. Yes, we know what to do, but making sure that people respond in an appropriate way and the culture and the attitude of the health care system to these issues are things that we need to spend more time on, focusing on how we change the attitudes and behaviours in the health care system to respond to these kinds of issues.

What's the tool we need? That's a harder question. But I think working together, as clearly you can see today, with individual hospitals—the association plays a large role in this, and the ministry, as well as LHINs—to keep the focus on it and to keep the priority of keeping people safe and free of disease is where I think we need to spend more time as we go on.

The Chair (Mr. Norman W. Sterling): Mr. Balkissoon.

1440

Mr. Bas Balkissoon: Let me open by saying thank you to all of you for being here. As a new member of our government, it's a pleasure to hear all your knowledge shared with us.

My question is for Mr. Closson. I just want to go back to a statement you made. You said that PIDAC best practices were issued and had gone out to all the hospitals, and you're interested in going out to the hospitals and seeing if they're being used consistently across the system. Earlier, everyone here said that raising awareness of the hand-washing situation is what is required, and sometimes the best way to know if you're successful in raising awareness is by measuring yourself.

The ministry has indicated that all hospitals will report on eight indicators by April 2009. The auditor, on page 10 of his report—and I know he's making a general statement—has said that HAIs were not comparable because the hospitals differed in how they defined and counted them. Are we going to see, by April 30, when the hos-

pitals are all starting to report, that they're reporting on consistent measurements and that the data they're collecting using the ministry's website—that everybody's being measured with the same yardstick and the same monitoring process?

Mr. Tom Closson: I think we're going to share this answer. I want to say, first of all, we've been working really closely with Michael Baker and the ministry about definitions to make sure we do get consistent reporting.

You did make reference to hand-washing. I want to make sure it's clear: It's not that health care providers don't wash their hands; they do wash their hands. But do they wash them at the appropriate times: before they contact a patient, after they contact a patient, before they do an aseptic procedure, after they've been in touch with any body fluids? These are the four times. Then they have to wash them a certain way and then they have to do it for 15 seconds. When they're being audited, if they don't do all those things, then they haven't washed their hands appropriately. That's what I mean.

Even the definition is important—like, what is hand-washing?—and having the audits done in a consistent way to really determine the extent to which it's happening within organizations.

Mr. Bas Balkissoon: That's what I'm concerned about. Are all the hospitals going to use the same yardstick for auditing and reporting?

Mr. Tom Closson: Yes, they are.

Mr. Bas Balkissoon: They are.

Mr. Tom Closson: Yes.

Mr. Bas Balkissoon: Okay.

Mr. Ron Sapsford: Part of the work that's going on now—we've had C. difficile reporting now since September, and for the remaining six or seven, part of the work we're doing now is exactly that: What is the definition? How shall it be reported? What are the tools to report it? So that when hospitals in fact do report it in April, there is consistency.

One of the important things in public reporting is, we want to make sure we can make comparative statements between hospitals so that they can judge their own performance against their peers. That work is now going on.

Mr. Bas Balkissoon: Okay. Thank you very much.

The Chair (Mr. Norman W. Sterling): Mrs. Albanese?

Mrs. Laura Albanese: My question is actually very similar to that of Mr. Balkissoon. I wanted to know a little bit more about that. What are the criteria that will be behind this consistent reporting?

Mr. Ron Sapsford: The criteria?

Mrs. Laura Albanese: Yes. In other words, how have you established those criteria? Has there been training that has been done with all the hospitals in what the criteria are, going forward, and what we will see in April?

Mr. Ron Sapsford: I'll start generally, and Dr. Vearncombe can probably—because for each disease, there's a separate set of criteria, so the definitions, the meaning of words and how cases are identified really is a scientific, clinical question. We're working with PIDAC

and others to do that. Perhaps Dr. Vearncombe can give you some instances.

Dr. Mary Vearncombe: That's absolutely correct. For each one of the indicators, there is a specific definition and a specific way of collecting the data. For each indicator, we are partnering with the OHA and also with the regional infection control networks through a train-the-trainer kind of program to provide education to all of the hospitals so that they understand the definitions, understand how to collect and submit the data. Each one has its own specifics and its own training. But we are working very, very hard to have everything standardized.

Mrs. Laura Albanese: And that standardization will be reflected in the public reporting?

Dr. Mary Vearncombe: Yes.

Mrs. Laura Albanese: Okay. Thank you very much.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas.

M^{me} France Gélinas: One quick question for the deputy: In the ministry's response to the auditor's recommendation, you indicated that the public reporting of hospital-acquired infection will be expanded to include patient outcomes—and I have asked that death certainly should be reported. When is this expected to occur?

Mr. Ron Sapsford: Patient outcomes—

M^{me} France Gélinas: That was in your response to the—

Mr. Ron Sapsford: Yes. I can ask one of the doctors to respond. In general terms, patient outcomes—which generally, for C. difficile and others, we're speaking now of death as being one of the potential outcomes—again, is a definitional issue. While I don't put it away as not wanting to consider it, if we're going to report it publicly, as is the question, then we need to make sure that when we do that, we've got clear definitions—how we count, how we report—because when you start that public reporting, people will naturally want to make comparisons. So it's more for those reasons than any other reason.

The time frame? I can't give you a date today, although simply to say that it is an active question and it has been referred for consideration.

Dr. Michael Gardam: If I can just fill in a few of the details there: The agency is working on that exact question, and we've been speaking to our colleagues in Quebec and other jurisdictions to find out how they've done this. What we've learned thus far is that jurisdictions that have gotten involved in this have found lots of challenges in terms of the reproducibility of determining what somebody died from. I know that sounds a bit odd, but with C. difficile it's actually quite difficult to determine what exactly caused death. So we're learning from that and we also are in the process of developing the actual protocols that we want to use for this. But in terms of time frame, we're expecting that for us to have something ready to go and rolled out and actually working, we're probably looking at the better part of a year.

M^{me} France Gélinas: I think it was said clearly in the auditor's report—and I think, Tom, you've mentioned it as well—that a certain percentage of the population have

those bacteria; because of immunodeficiency as a result of disease or treatment, they will get sick. But there are also other patients who contract those bacteria through another patient, through the fact that they are in the hospital. They never carried the bacteria to give them those infections; they got them because of their neighbours in the next bed, because of the nurse, because of the doctor etc. When you do identify a case, do you note a difference between the two—if it's a case that came through immunodeficiency by sickness or treatment versus somebody who clearly got it from another patient or staff member?

Mr. Tom Closson: That's a definition as well as to whether it's hospital-acquired or the person came in with it. I think it's if the symptoms show up within 48 hours. Is that—

Dr. Mary Vearncombe: Seventy-two hours.

Mr. Tom Closson: It's 72 hours. So you see, that was one of our definitional problems at the outset, because some hospitals were using 72 and others were using 48. So they've decided on 72, and that way we all report consistently.

M^{me} France Gélinas: So it would be considered hospital-acquired if it's 72 hours?

Mr. Tom Closson: That's right.

M^{me} France Gélinas: I was a little bit intrigued by the response you gave to Mrs. Witmer when she asked you what kind of tools the government, the ministry, the OHA can give you to bring down the rates of hospital-acquired infections. None of you said, "We need help to get our doctors to prescribe antibiotics in a better way." None of you said, "We need help in getting our staff to wash their hands for the appropriate amount of time" etc. You went to the need for private rooms; you talked about capacity and linked that to ALC; and you talked about technology. Are we putting our resources in the wrong direction? I just open it up to you. I was surprised by your answers.

1450

Mr. Tom Closson: Maybe it was the interpretation of the question.

M^{me} France Gélinas: I don't think you answered those questions. The three executive directors answered.

Mr. Tom Closson: So you still don't want me to answer on their behalf?

M^{me} France Gélinas: Sure, but let them go first, and you go second.

Dr. Jack Kitts: I think it's probably two different directions or focus areas. Do I believe that PIDAC and those sorts of groups should continue to give us best-practice guidelines? Absolutely. Many of us actually don't wait for PIDAC, and many of our members are on PIDAC, so we're creating a lot of those best practices in our organizations.

If we're truly going to change the impact on infection control, give our health professionals the capacity and the environment to work in. A nice, brand new, shiny, clean hospital is a great start. If you can't have that, then at

least have the capacity to not have patients bunched in together.

I think number one is, give us the capacity, and number two is, amazing things happen with health professionals if you can actually show them the effect of their work. ISIT is absolutely essential.

Ms. Bonnie Adamson: I would add that the issues of handwashing change in behaviour and medical-practice ordering of antibiotics are requirements of the organization to be accountable, to work with the team inside the organization to change their behaviour, so teamwork and interdisciplinary care. We're accountable as agencies to provide the leadership, the accountability systems, and work together with all of the partners within your organization to make the change occur. We receive all these expert resources from OHA and from the government based on best practice. It's our accountability, the board's and the leadership of the organization's, to work with the right individuals and right teams inside our organization to make it effective at the front line. It's about changing behaviour and it's all about leadership.

Ms. Karen McCullough: Exactly the same. When I said that one of the tools that we'd need would be e-health, that's because I believe that in the future, we will be needing that. At this moment in time, however, I strongly believe that it's an individual hospital's accountability and responsibility to do the very best that it can with what it's got to ensure that it's not in fact experiencing hospital-acquired infections. It is our accountability to wash our hands well at the right time, it is our accountability to tell the staff how well they're doing or how well they're not doing in those endeavours, to report it to the board and to the public.

We have many of the tools that we need now. We've had a lot of assistance with our hand-washing hygiene campaigns. We've had a lot of assistance with additional resources as infection control practitioners. We have a lot of tools; we need to use them. In the future, we'll be needing additional tools.

M^{me} France Gélinas: Okay. Tom, I will ask you the next question. It's about the same thing, but I'll add a twist to it. If a hospital had the appropriate amount of private rooms, the full usage of their beds, the alternative-level-of-care clients cared for where they should be cared for, the technology in place that allowed us to track prescribing habits, good hand washing, and the culture of cleanliness that we've talked about, do you figure we could get rid of hospital-acquired infection?

Mr. Tom Closson: No, because there are always going to be some mistakes made.

I'll take you back to SARS. When we had SARS II, as we called it, I was the CEO of the University Health Network. We really believed we were following the standards of protecting our staff. Then a patient—who was called a super spreader because they'd had a lung transplant and therefore was on all sorts of drugs for their immune system—who had SARS was transferred to us from another hospital and four of our staff got SARS in the emergency department, even though we thought they

were taking every possible precaution. We were so careful during that period. I don't think you could ever have been more careful than we were.

So mistakes get made, or maybe in some cases we just don't understand what caused something to happen. There are always going to be some. What we're trying to do is really minimize the likelihood of it happening.

M^{me} France G  linas: If I go to the CEOs—I don't know if you remember the little rosy-looking pictures I've just given you. You have the private rooms you need, you have—do you remember? What kind of a difference would it make for your hospital?

Dr. Jack Kitts: I think we could stand up in public and say that this hospital is as safe as it possibly can be. I don't think we can ever give 100% guarantees because of the human element of it, but we could stand up as hospital CEOs and say, "This is as safe as any hospital can be."

M^{me} France G  linas: How about you?

Ms. Bonnie Adamson: I would agree with that answer. It's assuring the public that we are doing the very best we can in the set of circumstances we find ourselves in. We've maximized the tools, we've supported our staff, we've created an environment of safety and learning, that people are not punished for what happens and that we can then bring the best out in the human resources we have.

Ms. Karen McCullough: Exactly, and I think the key point is, "when we've failed." When as an organization we have a situation where a patient does in fact experience a hospital-acquired infection in our perfect world—and I can't wait; that's going to be beautiful—when that happens, our accountability and responsibility is to investigate on an individual basis to find out what went wrong. It's always about lessons learned. We'll never be perfect. Humans are not perfect; we make errors. But it's finding out the root cause, identifying the source of the error and making certain that that doesn't happen again.

The Chair (Mr. Norman W. Sterling): I'm going to end the questioning there. I'd like to thank everybody who has travelled here, who has come here. I invite any

of you to write to us on any of the questions, and if there are some clarifications you might want to offer to the committee, we would appreciate it very much. We'll be writing the report probably about a month from now, and our researcher will be at it within that period of time—so that time constraint.

I would recommend to you for reading the report which this committee tabled—those of you who have not already seen it—on September 22 on operating rooms and the use of those facilities. I just talked to the clerk; I had understood that we were sending it to all 157 hospitals, but he only sent it, as I understand, to the three hospitals that were under consideration at that time. So we're going to send it to all of the other hospitals.

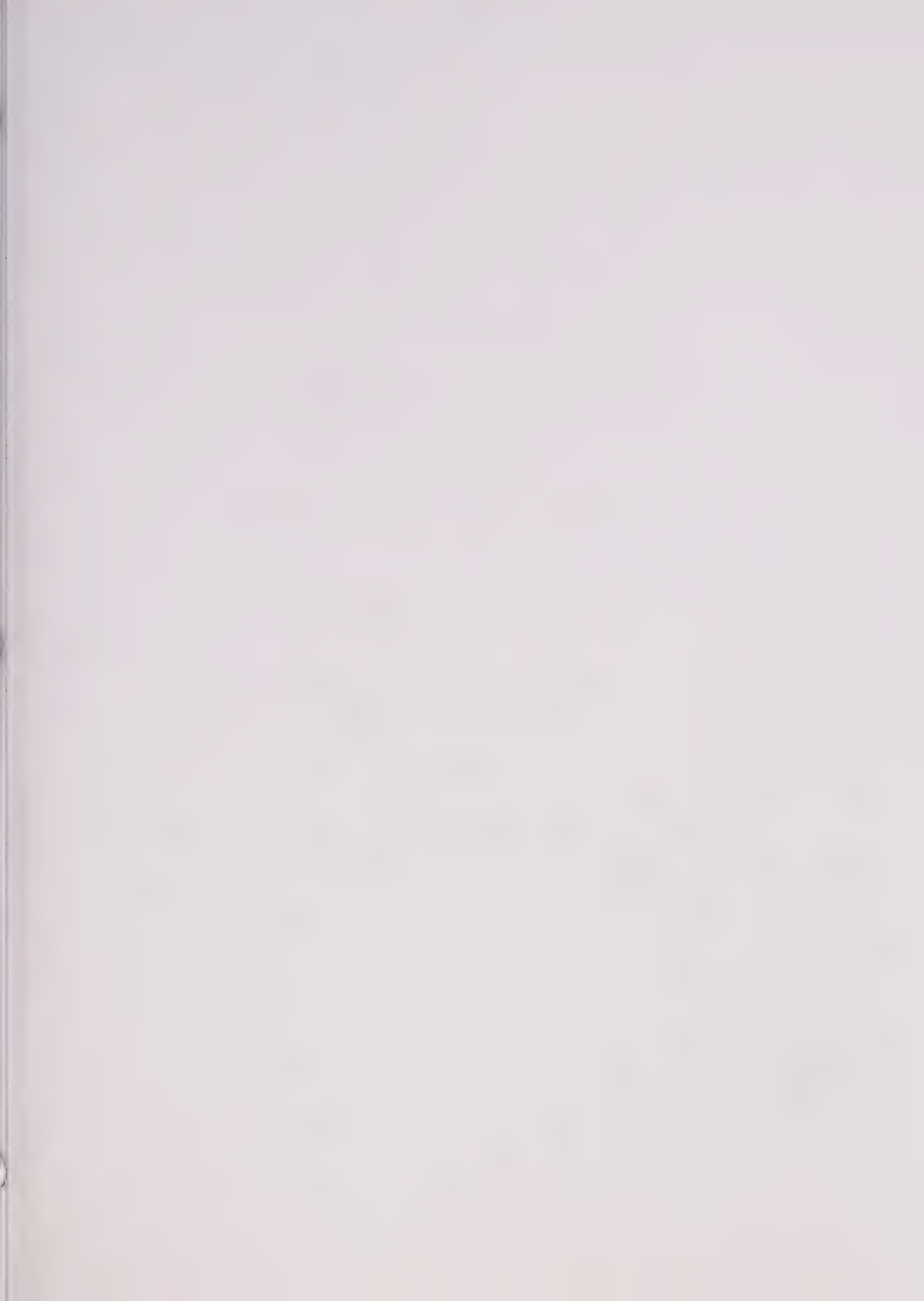
In that light, I would say to you that part of the role of this committee, or a very important function to members of this committee, is that if we can help you who run our hospitals, who work in our hospitals, and the senior management deal with this issue in a better manner and encourage your boards, your senior managers who are not with us today, and your staff to undertake better practices with regard to this, we would ask you for any kind of recommendations we could make in that light, so that you can use us as the recommenders, if that's necessary, in order to have change occur in your particular hospitals.

I'd like to just call on the Auditor General. He wanted to make a brief remark.

Mr. Jim McCarter: I'd just like to take 30 seconds to thank the three hospitals for the co-operation extended to our staff. I suspect it's no surprise that when people get a call from the auditor, it's not always good news—often I get 10 seconds of stunned silence—but I have to say that the three hospitals were very receptive to us coming in to do our work. They certainly made the time of their specialists available to Susan and our staff, so I'd like to pass along our thanks for the co-operation.

The Chair (Mr. Norman W. Sterling): Thank you very much. And you can hear the bells going. The Legislature is about to convene, and we have to end when it convenes. Thank you.

The committee adjourned at 1458.



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York–Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton–Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bas Balkissoon (Scarborough–Rouge River L)

M^{me} France Gélinas (Nickel Belt ND)

Mrs. Elizabeth Witmer (Kitchener–Waterloo PC)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Mr. John Yakabuski (Renfrew–Nipissing–Pembroke PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

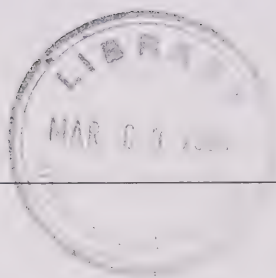
Ms. Elaine Campbell, research officer,
Research and Information Services

CONTENTS

Wednesday 29 October 2008

Special Report, Auditor General: Prevention and Control of Hospital-acquired Infections	P-193
Ministry of Health and Long-Term Care	
Mr. Ron Sapsford, deputy minister	
Dr. David Williams, acting chief medical officer of health, public health division	
Ontario Hospital Association	
Mr. Tom Closson, president and chief executive officer	
The Ottawa Hospital	
Dr. Jack Kitts, president and chief executive officer	
Dr. Kathryn Suh, acting director, infection prevention and control program	
North York General Hospital	
Ms. Bonnie Adamson, president and chief executive officer	
Dr. Kevin Katz, medical director of infection prevention and control	
Windsor Regional Hospital	
Ms. Karen McCullough, vice-president of acute care and chief nursing executive	
Ontario Agency for Health Protection and Promotion	
Dr. Michael Gardam, director of infectious disease prevention and control	
Provincial Infectious Diseases Advisory Committee	
Dr. Mary Vearncombe, chair, infection prevention and control subcommittee	
Erie St. Clair Local Health Integration Network	
Mr. Gary Switzer, chief executive officer	
Central Local Health Integration Network	
Mr. Hy Eliasoph, chief executive officer	

Continued on inside back cover



P-13

P-13

ISSN 1180-4327

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 18 February 2009

**Journal
des débats
(Hansard)**

Mercredi 18 février 2009

**Standing Committee on
Public Accounts**

2008 Annual Report,
Auditor General:
Ministry of Health
and Long-Term Care

**Comité permanent des
comptes publics**

Rapport annuel 2008,
Vérificateur général :
ministère de la Santé
et des Soins de longue durée

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 18 February 2009

Mercredi 18 février 2009

The committee met at 1230 in committee room 1 following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.06, Community Mental Health.

The Chair (Mr. Norman W. Sterling): I'll call the meeting to order. My name is Norman Sterling; I'm the Chair of the public accounts committee of Ontario.

We are today dealing with section 3.06 of the auditor's report of December 8, 2008. The subject matter is community mental health.

I indicate to the witnesses who are here before us—and I welcome them—that we had a report prepared by our research assistant, Lorraine Luski. This morning, we had a meeting, attended by the Auditor General, for approximately an hour and went over that information to brief members of the committee on this matter.

I would also like to note that there is going to be a select committee on this particular matter. I believe that, very recently, the terms of reference were decided by the Legislature of Ontario, by various parties etc. I presume that their work will be beginning in the not-too-far-distant future. Some of the information given today no doubt will be passed along to members of that committee.

I'd like to also indicate that because of the limited number of spaces we have at the front table, if any of those people sitting at the table or someone who is here helping our committee has something to say and wants to step forward, just raise your hand and we'll play a little bit of musical chairs and get that person or those persons to a microphone as well.

I'd like to welcome Mr. Sapsford, the deputy minister. I understand we have, from WOTCH Community Mental Health Services, Diehl Elkin. We have, from the Central LHIN, Hy Eliasoph, and Dr. Robert Cushman from the LHIN in eastern Ontario. From South West LHIN, we have Michael Barrett, and from the Canadian Mental Health Association, Marion Wright.

Dr. Sapsford, I understand you have some opening remarks. If you would proceed.

Mr. Ron Sapsford: Thank you, Chair. Before I start my remarks, if I could introduce to the committee Carrie Hayward, who is the director of the LHIN liaison branch in the Ministry of Health.

I'd like to express my thanks to the Standing Committee on Public Accounts for this opportunity to address the Office of the Auditor General's report on community mental health services in Ontario.

Let me state at the outset that the ministry supports and appreciates the work of the Auditor General to complete this report.

I'd like to start by outlining the health system's structure and the roles and responsibilities of the various players in the context of the report we're addressing today.

Under Ontario legislation, accountability for each entity is clearly set out. The Ministry of Health and Long-Term Care Act establishes the duties and functions of the minister and, through him, the ministry to oversee and promote the health and the physical and mental well-being of the people of Ontario and to be responsible for the development, coordination and maintenance of comprehensive health services. This includes a balanced and integrated system of public hospitals, long-term-care homes, laboratories, ambulances, community-based services, and other health providers in Ontario engaged in providing timely and equitable access to health services to all residents of Ontario.

I'm pleased as well that the local health integration networks have been invited by the standing committee to participate in this session, recognizing their significant role in the province's health system. The Local Health System Integration Act established 14 local health integration networks across Ontario. They are an important part of the government's plan to transform the health system and to make it more patient-centred, efficient and accountable based on local planning for local needs. The LHINs are responsible for planning, funding and integrating local health service providers, including the oversight of their community mental health service providers.

With the introduction of LHINs, the Ministry of Health and Long-Term Care has assumed a stewardship role, focusing more on providing overall direction and system oversight, which includes setting provincial policy and program standards for the province's health system. The ministry works in close partnership with the

province's LHINs to identify and address areas where any service gaps exist.

The boards of directors of community mental health organizations, under relevant corporate legislation and the common law, are responsible for the leadership and direction of their organizations. This includes ensuring that they carry out their mandates, as well as all aspects of their organizations' operations. The boards are responsible for developing strategic plans, financial stability and evaluating their agencies' performance.

Public hospitals also manage some community mental health programs in the province, in which case the Public Hospitals Act is the governing legislation. Under that statute, the hospital's board is responsible and accountable for the quality of patient care.

Before turning to the specifics of the ministry's response to the audit findings, I think it's important to clarify how the mental health system worked before the implementation of local health integration networks and how it will work in the future. Prior to April 2007, the ministry's regional offices were responsible for the oversight of community mental health agencies but did not have the authority to allocate funding directly. Today, community mental health agencies report through the LHINs. The LHINs have established accountability agreements with the agencies and are responsible for allocating funding within their allocations. In turn, the ministry has an accountability agreement with the local health integration network that sets out the government's expectations.

Since their inception, the LHINs have all identified the need to address mental health as one of their priorities. As part of the local planning process, the LHINs will determine the needs of people with mental illness in their own areas and, working within provincial standards, ensure that service reflects local need.

The Auditor General's review happened during this period of transition, and many of the positive changes over the past four years took place under the auspices of the ministry. Going forward, the future mental health system will reflect the change in accountability from the ministry to the local health integration networks. The completed template the ministry provided earlier to the committee outlines our response to the audit recommendations in detail. So for this presentation, I would like to address first the current availability of services and, secondly, the future of mental health services in the province.

Over the course of a few years, the ministry has been improving and expanding the community mental health system to benefit more people in need of mental health services. The ministry is working toward a system that will provide the right kind of service to help people live the best possible quality of life in their community.

Today there are over 300 community mental health programs that offer a range of services across the province. These services allow people to live full lives in the community with the supports they need to be independent. The community mental health budget rose by over

\$200 million, or 54%, between 2004-05 and 2008-09. These investments have resulted in more people being able to access services like eating disorder treatment, supports for aboriginal mental health, and consumer and survivor initiatives.

In more specific terms, funding has been provided from the \$117-million health care accord, which has funded 20 more assertive community treatment teams, bringing Ontario's total to 80, or a 33% increase; more early intervention in psychosis programs—they went from five to 52 over that period of time; and there has been a strengthening and expanded capacity in crisis and case management services. Finally, \$50 million was invested in a service enhancement initiative to keep people with mental illness out of the criminal justice system.

1240

Through crisis response and outreach, there are now better linkages between mental health and police services; short-term residential crisis support beds; supportive housing; 60 new court support workers; and intensive case management services, including those that assist people leaving custody who require community-based mental health services. Almost 20,000 more clients are now being served each year.

This initiative also supports what are called diversion networks; that means various ministries and service providers working together to help divert people who got into trouble with the law to appropriate community services. And that relieves pressures on the criminal justice and correctional systems.

The ministry provided \$29.1 million for stabilization and improvements to the community mental health system itself, a 7% increase in base funding since 2004-05, and over the past four years, the province also added a total of 2,250 new supportive housing units, with a budget of approximately \$36.5 million.

In addition to the formal system of community mental health agencies, a person with mental health concerns still needs primary care. That's why the ministry has strengthened the ability of doctors and nurse practitioners to ensure that people get the care they need. The ministry has added mental health counsellors into multidisciplinary teams, like family health teams and nurse practitioner-led clinics.

Family doctors also provide mental health care and referral for their patients. In fact, the recent agreement with the Ontario Medical Association provides enhanced payments to physicians for meeting minimum targets across a core of office-based services, which includes mental health services. Family physician groups that demonstrate a focus on priority areas, including mental health, will receive salary support for an additional 500 registered nurses; of these, 150 nurses are already in place under this program.

Finally, this level of investment demands evaluation, and the ministry has commissioned an evaluation of the accord and service enhancement initiative funding to determine its impact on clients and services. The preliminary findings are that Ontario's investments in

community mental health are in fact resulting in new and enhanced programs, additional new staff and more clients who have received services. The study confirms that the new funding has strengthened the community mental health field, and the report acknowledges that it takes time and many complex steps to get new funding into the system and to make programs fully operational.

I'd like to provide you a few examples. In 2006, the province started to fund ConnexOntario to provide information on mental health agencies through the Mental Health Service Information Ontario agency, or MHSIO, the province-wide information and referral service for mental health services. These information and referral services are available on a 24-hour, seven-days-a-week basis in over 140 languages for consumers, families, service providers and others.

Between January 2006 and December 2008, the MHSIO website had almost 107,000 visits, with the vast majority being new visitors. This means that the service is, in fact, reaching more people than ever. An evaluation of the contacts for a 20-month period shows that between 81% to 91% of the respondents found that the service was helpful to them.

Starting last year, MHSIO has been piloting live Web chats via a link on their Website. To date, the staff of the agency have done 200 web chats; 113 of these were in January alone. This is an example of how the system is using modern technology to deliver services to more consumers.

To summarize, the community mental health system of today is more integrated, expanded and accessible than it was in the past. I do, however, appreciate that the Auditor General has highlighted data and accountability issues to look for future improvements. These issues were set out in the template you received prior to today's session.

To summarize, the ministry is committed to collecting information about services and clients, and over the last five years has put resources and funding to implement the management information system and the common data set for mental health.

The ministry has successfully piloted, and is considering implementing across the province, the community mental health common assessment tool, which will help providers understand and act on the needs and progress of individual clients. Using this tool, both providers and consumers completed the inventory of need, and people appreciated being asked what they felt they needed, rather than simply being told, based on a provider's assessment only.

I'd like to share with you some of the consumers' remarks about the effectiveness of this tool: "At first I thought there were a lot of questions but when the assessment was finished, I felt differently. I now see that the agency wanted to make sure they did not miss any areas that could affect my mental health."

A follow-up consumer survey revealed that 74% of the respondents felt that the assessment was useful in

assessing their needs, and 84% felt that their answers were helping their worker understand them better.

The ministry recognizes that improvements to the quality of the data are needed, and is working with the local health integration networks to determine how best to assist the providers to improve the data submitted. This is a natural evolution in the implementation of a new information system.

The Auditor General noted that there is not, as yet, an adequate community-based support system to support people with mental illness in the community, and I think we all share the view. The government, the minister and the Legislature all share these concerns. At the same time, they want to ensure that there's a clear vision for the future of community mental health services and that existing and new resources are utilized in the most effective and efficient manner.

To that end, improvements to mental health were a key government platform commitment. The minister has noted on many public occasions that mental health and addictions is one of his personal priorities. Last year, to that end, he established a work group for mental health and addictions.

At the same time, as the Chair has mentioned, the Ontario Legislature is in the process of forming a select committee. The work group and the select committee are expected to report on their findings by early 2010. In addition, as I've stated, the local health integration networks have all identified mental health as a key priority.

There has been significant progress, and the future is promising, but we all recognize that we need to enhance mental health services to further develop a comprehensive system that puts the person first, is barrier free, and easier to access and navigate.

The Ministry of Health and Long-Term Care remains committed to enhancing the strength of mental health services in Ontario with strong provincial policy direction. With our partners, the LHINs and front-line service providers and agencies we will work to ensure better access and quality services to the most vulnerable among our population.

Once again, thank you for this opportunity to address the Auditor General's report on community mental health services. I'd be pleased to respond to questions.

The Chair (Mr. Norman W. Sterling): Thank you very much, Mr. Sapsford. France, you can go first if you want. Mr. Hardeman has indicated that he has questions. Which would you prefer?

M^{me} France Gélinas: If I can, I will.

The Chair (Mr. Norman W. Sterling): Okay. It was the NDP which has this selection.

M^{me} France Gélinas: Okay. Thank you for coming, Mr. Sapsford. I appreciate your presentation.

The first question I have: On page 5 you mentioned, "The LHINs have established accountability agreements." It was my understanding that they were in the process of establishing accountability agreements with

the 330-and-some community mental health—is that all done and signed?

Dr. Robert Cushman: No. I think there's some confusion between the LHIN-ministry accountability agreements.

1250

Mr. Ron Sapsford: Oh, okay. There are two sets of accountability agreements: the first between the ministry and the 14 LHINs individually, and then a series of agreements which are being implemented over time. The first set of agreements between LHINs at the local level was with hospitals, and then moving on into community care access centres. The LHIN agreement with the ministry specifies a certain level of expenditure transfer to the local health integration network for community mental health services and a certain set of operating guidelines that are included as part of that agreement.

M^{me} France Gélinas: But just to be clear, the LHINs have not established accountability agreements with the mental health community service providers.

Dr. Robert Cushman: That's right. We're in the process of doing it now. The intent is that they'll be in place for the next fiscal year.

The Chair (Mr. Norman W. Sterling): Are they to be somewhat uniform from LHIN to LHIN? I'm sorry.

M^{me} France Gélinas: Go ahead.

Dr. Robert Cushman: In fact, we use a common template across all LHINs for our multi-sector accountability agreements, and as Ron indicated, they're intended to all be signed by March 31, to start the next fiscal year.

M^{me} France Gélinas: That's what I thought.

Mr. Ron Sapsford: When the ministry transferred accountability, the service agreements that existed between the ministry and service providers were transferred to the local health integration networks. The process from there would be that the LHINs then negotiate new agreements with their local providers. So there was continuity in the existing service agreements in the transfer to LHINs, and then a new process for the new accountability agreements.

M^{me} France Gélinas: So when they got transferred, they had never worked out an accountability agreement with the ministry. They had a service agreement with the ministry?

Mr. Ron Sapsford: That's correct.

M^{me} France Gélinas: That's what I thought.

My next question has to do—you mentioned it on page 15 of your report, if that's of interest to you. You say the Ontario Legislature is in the process of forming a select committee and a work group for mental health and addiction. Could you tell me the difference between the two and how those two groups will or won't work together?

Mr. Ron Sapsford: "Work group" refers to the group that the Minister of Health and Long-Term Care created last fall—

M^{me} France Gélinas: Have they met?

Mr. Ron Sapsford: Yes, on many occasions. They have developed a work plan to look at a 10-year horizon

around mental health services. The minister and ministry staff have been meeting, I think, on a monthly basis to work through some of those issues, to listen to the community and understand where gaps are, and to take advice directly from the community on future policy directions.

M^{me} France Gélinas: Am I allowed to know the membership of that work group?

Mr. Ron Sapsford: Certainly. We'll provide that to the committee.

M^{me} France Gélinas: Thank you. And then the select committee?

Mr. Ron Sapsford: As far as I'm aware, there was an agreement in the House that there would be a committee of the Legislature formed to look at mental health services. I'm not privy to the terms of reference or the details of that.

M^{me} France Gélinas: Do you know if those two groups will ever connect, work in common? Or will they go their separate ways?

Mr. Ron Sapsford: I don't know the answer to that. I don't have input into the House committee's work. I fully expect, however, that part of the work of the House committee would be to consult with the ministry, certainly in terms of information. I would suspect, as the committee process evolves, we'll understand more clearly what the connections will be. But I'm not aware of that at the moment.

M^{me} France Gélinas: Coming back to the work group, you said that the minister and the ministry staff have been meeting monthly. They have a 10-year work plan. Are the people on that committee all civil servants?

Mr. Ron Sapsford: No; in fact, there are very few civil servants. These are groups of providers: psychiatrists, the psychiatric survivor community, community mental health providers and formal association representation. This is a group of external providers with support from the ministry.

M^{me} France Gélinas: Okay. I will save my time.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much for the presentation. My initial questions are somewhat the same as my colleague's on accountability and transferring the responsibility of the accountability over to the LHINs, transferring the same accountability agreements that the ministry had with the providers of the services, and the LHIN takes over. Was there any intention of having an equitable level of service across the province in that transfer? The service that was being provided in one area, under the previous structure, was totally different than in other areas; different providers provided in a different way, different rates—in fact, totally different services being provided by different organizations. Was there any direction for uniformity in that transfer so that we would get to that level playing field?

Mr. Ron Sapsford: The short answer would be no. We simply took existing agreements with existing agencies and transferred, given that they were the services in

operation at that particular time. The future work of local health integration networks, their planning and the work that they do at the local level would then inform, based on that local community, what gaps or additional need there might be, with a view to funding that in future budget cycles. There was no adjustment made, as you've asked, at the time of the transfer. We simply transferred existing programs, services and contracts to that specific local health integration network.

Mr. Ernie Hardeman: Thank you very much. On page 4, I guess that's where I got a little confused. The third paragraph on the page: "Further, the boards of directors of community mental health organizations, under relevant corporate legislation and common law, are responsible" for their accountability. Who are they responsible to?

Mr. Ron Sapsford: They're responsible to their own corporation. Most of these agencies would be corporations under the Corporations Act, so the membership of the organization would be the members of the corporation. They would have formal corporate responsibilities of electing the board, auditors—those kinds of formal corporate responsibilities. I think that the distinction I'm trying to make here is that there's no separate statute which deals specifically with community mental health organizations, unlike the Public Hospitals Act, which is specifically related to hospitals.

Mr. Ernie Hardeman: I understand that. My question really is, who do my constituents hold accountable for the services provided, rather than the fine operation of the LHIN that's doing a wonderful job and the Canadian Mental Health Association doing a wonderful job, but nobody's getting any service? Who is responsible for that level of service?

Mr. Ron Sapsford: The individual agency, originally through service agreements, would specify the amount of money; I don't know all the details of what was in the service agreement, but volumes and levels of service, the kind of service the ministry expected that agency to provide. So within the terms of the service agreement and, in future, the accountability agreement, that local board is responsible for providing the service as it's defined.

Mr. Ernie Hardeman: In a simpler way, I have a constituent who doesn't believe they're getting the level of service from the Canadian Mental Health Association that they should be getting, and they call my office. Who should I call?

Mr. Ron Sapsford: The first call would be to that agency, and I suppose, secondarily, if there was—

Mr. Ernie Hardeman: Their answer was, "That's all the money we've got."

1300

Mr. Ron Sapsford: Then I would suggest you're into speaking to the local health integration network.

Mr. Ernie Hardeman: But, presently, there's no system in place to hold somebody accountable for delivery of the service. It's all great for the democracy of

it, but the actual service—there's nobody responsible for the level of service?

Mr. Ron Sapsford: Well, as I've said, in my view, if you sign an agreement to provide service, then you're accountable for providing it. Your question is regarding if someone feels it isn't being provided, in which case, I would take the question on to the local health integration network because their role, through the agreements, is to ensure the service is provided. So from my point of view, that's the next place to go.

If it's a concern about the quality of the care or the actual service, that's a more difficult question. In those cases, if it's related to a specific professional service and the quality of that service, then one is looking more at questions of the colleges that are responsible for the standards of care.

Mr. Ernie Hardeman: I'd be more interested in the quantity of the service rather than the quality.

Mr. Ron Sapsford: Well, the quantity—

Mr. Ernie Hardeman: That service just isn't available, there's a waiting list and sorry about your luck.

Mr. Ron Sapsford: The local health integration network would deal with those sorts of questions.

Mr. Ernie Hardeman: They would deal with those?

Mr. Ron Sapsford: Yes.

Mr. Ernie Hardeman: Okay, thank you. There was another one. You mentioned, I think more than once in your presentation, that mental health is also a LHIN priority. They've decided that it's one of their priorities. I guess the question is: Was that an option for them to decide whether that was going to be a priority or was that a direction from the minister when the LHIN was structured or when this responsibility was transferred to the LHIN, that they would make it a priority?

Mr. Ron Sapsford: I'll let some of my colleagues speak to that, but at the beginning, the inception of the LHINs, when they first started working, one of the first things that they did was to go out into their local health care systems to meet with the public. There were town halls; they met with local service providers, a variety of people, to begin to understand their local health care system. I think every single LHIN in that process of consultation, in the formal reports that they did as a result of that, identified mental health as, if not the top priority, one of the top three priorities. That was consistent across the province. So from my point of view, this was really establishing priorities that were based on local discussions, as opposed to the ministry or the minister pre-identifying that.

Mr. Ernie Hardeman: This one is kind of tongue in cheek, I suppose, but on page 11, in 2006 we set up ConnexOntario?

Mr. Ron Sapsford: Yes.

Mr. Ernie Hardeman: Then two paragraphs down, between January 1, 2006, and December 31, 2008, we've had 107,000 visits, the vast majority being new visitors. Since it started that year, how could there be any old visitors? Wouldn't they all be new visitors? The thing never existed before.

Mr. Ron Sapsford: Well, it covers two years, so the point I'm making is that the kind of people who we're looking at are first-time, as opposed to—

Mr. Ernie Hardeman: First-time callers.

Mr. Ron Sapsford: —a lot of repeat—

Mr. Ernie Hardeman: They don't repeat their call. They just get their information and don't call again?

Mr. Ron Sapsford: Yes.

Mr. Ernie Hardeman: So at one point they were all new visitors.

Mr. Ron Sapsford: Yes that would be true.

Mr. Ernie Hardeman: Thank you.

The Chair (Mr. Norman W. Sterling): Ms. Sandals?

Mrs. Liz Sandals: Thank you, everyone, for attending today. I wanted to ask some questions around both accountability and allocation. On page 6, Mr. Sapsford, at the top you mention, when you are talking about turning mental health over to the LHINs, that the LHINs would work within provincial standards. I'm wondering, at the point where mental health was turned over to the LHINs, what sort of provincial standards there would be around mental health that the LHINs would be given as a framework that they would be working within.

Mr. Ron Sapsford: In the first instance, the recognition of existing service levels would be the first piece, and that would have been established in the agreements that, in fact, were transferred. As well, we started a process of establishing within the LHIN accountability agreement a number of measures that the ministry would use to monitor performance, not so much of the LHIN but of the delivery system, over a period of time. Many of these indicators are new; we're still in discussion around a number of them as we begin to sketch through what those standards or those fixed positions are that the ministry wants to ensure are maintained right across the province and then in which parts of the puzzle the LHIN has flexibility based on local need.

That is a work in process as opposed to a finished product. In fact, it was identified in the auditor's report that the data and information that are needed to support that kind of framework in many cases are not complete. It's an ongoing discussion with local health integration networks. I think, apart from financial issues like balanced budgets and tracking actual expenditures and ensuring that current volumes are maintained, most of the rest of them are still in development.

Mrs. Liz Sandals: So if we're thinking about accountability and performance indicators in mental health, when we're looking at some of the other areas where we've talked about performance indicators—you can count the number of hip surgeries or the number of new MRIs; at least we know what we're supposed to count. When you move to mental health, do you have any examples of the sorts of indicator sets that you're working on for mental health?

Mr. Ron Sapsford: There are two things I'd like to say. First of all, in some aspects of the community mental health system, for instance the ACT teams—what are they called?

Ms. Carrie Hayward: Assertive community treatment teams.

Mr. Ron Sapsford: Thank you. Assertive community treatment teams. In the crisis intervention program, in the case management function, which is a component of community mental health, there are fairly detailed operating standards: the kinds of patients, the kind of care, frequency of visits. They vary from piece to piece, but there are performance standards in different sub-parts of the delivery system. A couple of others: early intervention criteria; safe beds is another component of the system. So for these various programmatic pieces there are standards that we would expect to be across the system and maintained as time goes on.

In terms of the broader functioning of the mental health system, cost per individual served would be an example. Readmission rates from the community into hospital would be another one. Wait times from referral to assessment is one that we're working on, and from assessment to service initiation. We want to start a series of client satisfaction measures as part of the overall standards development as well as avoidable emergency department admissions. So we're beginning to set out what those standards are. Unfortunately, in all cases, we don't have the data systems to immediately produce the kind of results that people are expecting.

I think the other thing that people need to really clearly understand is that the mental health delivery system is not like hips and knees. This isn't about a gall bladder problem: admission for surgery, discharged home, case finished. The mental health delivery system is far more complicated. Needs are far more individual. We have a much broader variation in the choice of treatment and service. We find people needing one form of service in intense acute care or medication management and then, over a period of time, more supportive activities in the community: activities of daily living, helping people find jobs, making sure their housing supports are adequate.

My argument here is that the measurement of the mental health system is more complicated than in some other parts of the health system, where it's a case of, "How many procedures did you do and how many more can we do?", where it's a very defined kind of service.

1310

Mrs. Liz Sandals: Yes, and that's actually partly why I asked the question, because it isn't totally obvious what you would count. One of the things I'm very pleased that we were able to do is increase the number of ACT teams. My community was fortunate enough to get one of the additional ACT teams that we were funded, and while families of people who needed the support were sort of lobbying me to lobby you to get one of those ACT teams funded, we actually worked with one family and were able to trace a brother—and they were reasonably public about this—who had been schizophrenic and in and out of the criminal justice system and also psychiatric hospitals. For that one chap alone, we were able to document, between jail and psych hospital, about \$1 million

in care; that was what we could count for just the one individual. So getting that community support is a much more humane and sensible way of managing the person's challenges.

I'm wondering if I might ask the LHIN CEOs, then, stepping down a level—because I'm assuming that somewhere in all your LHINs you would have an ACT team—how you would move from the sort of provincial funding and framework down to monitoring the performance of ACT teams within your jurisdiction. Would you be engaging with them on a formal basis? How does that work out at the local level? You guys sort out whoever wants to deal with it.

Dr. Robert Cushman: Sure. I think, if you really look at "Local Health Integration Network," the two words that stand out clearly—actually, the whole thing: "local," "integration" and "network." So in fact, we have mental health networks in our LHIN. I'm from the Champlain LHIN, where Mr. McNeely and Mr. Sterling are from. The Champlain LHIN, I was thinking the other day, is actually about as big as six Canadian provinces in terms of the population, the resources. So you can see that as we get regional and start to drill down locally, we have the benefit of really seeing and understanding what's going on. These are community resources at the community level, and you have to be there to really understand them.

Our LHIN is almost like a loaf with slices of networks. We have identified a mental health network, and we're looking across our LHIN in terms of—we have a number of ACT teams—just how they fit into, I think the deputy mentioned the term, comprehensive care. He also alluded to the fact of how complex this is in terms of a chronic illness and all the other supports that are necessary, from help with jobs and housing and those types of things. By and large, what we're trying to do is to get the players to come together so we can build a comprehensive system and so that it's patient-centred, and you at a particular time during your illness will have what you need so that these transitions from one place to another are smooth, but also that we actually know who's on our catchment list, who our caseload is, so we can really monitor patient flow. To date, I'm really surprised, actually—we can do a much better job in that area.

So just a short summary to your question: I think, as you drill down to the local, you're really able to see how we can take this sort of patchwork quilt and build it into a comprehensive system that knows who the people are, knows how they're doing at any given time and can move them to the appropriate services. That's what we're trying to do. As was alluded to earlier, there is a stress, obviously, on the resources we have. But, rest assured, to use the resources you have today more efficiently can help you address that.

Mrs. Liz Sandals: Does anyone else wish to comment?

Mr. Hy Eliasoph: Just to share a little story with you, I should make a confession: I love ACT teams. I didn't know about them before I started in my new role, and

I've spent time with all the ACT teams in our LHIN on the ground at their case management meetings.

What's fascinating about them is—again, where you stand depends on where you sit. From a community perspective, they're seen as very resource-intensive, and they are. From an acute perspective, they're a huge opportunity to help maintain clients in their home communities without having to go into the really big, expensive hospitals. So again, it depends how you want to look at them. We believe that there's a great opportunity to build more community capacity and put those resources in place and help maintain clients in their home communities through instruments like ACT teams.

The other piece that's really critical is, there's a very large body of literature and evidence—because this is not an Ontario thing; it's an international model that has been adopted here in Ontario—that shows the efficacy and effectiveness of these programs. As Rob said, there's a great opportunity to use those and better integrate them into the fabric of the community that we're trying to build.

Mrs. Liz Sandals: I was certainly converted by the president of the local psychiatric hospital, who said, "Here's all these studies, Liz. Look at this." They certainly seem to be very effective if you can implement them well.

The Chair (Mr. Norman W. Sterling): Could I ask a supplementary on assertive community treatment teams? The auditor pointed out that on some teams, they have two staff for every client; on other ACT teams in Ontario, they have one staff for 14 clients. I guess, if I were the Minister of Health—which I don't pine to be, but if I were—I would be saying to the LHINs which had the heavier loads, "We'll give you more funding to fund more ACT teams in your particular area."

Our concern here is that the funding has been generic and based upon history rather than on the needs of the particular LHINs in the various regions of Ontario. Would a measure like the one the auditor has pointed out be helpful to have in each LHIN area? In other words, what's the average caseload per ACT team in Champlain or southwestern Ontario or whatever? I would advocate that that particular information be public as well so that it would draw attention, for the community, for politicians, for the Minister of Health, as to which areas in the province were lacking in service perhaps, and also would draw to the attention of ACT teams that could perhaps see more patients as a result of the fact that they were not maybe pulling their fair share of the load.

Dr. Robert Cushman: Certainly I agree with you 100%. We as LHINs need these performance indicators, and to develop them 14 times or 14 subtly different ones is not the way to go. We need that help and we look forward to having it. You're right: We need to have those benchmarks so we can compare.

I would only caution you, though, that because of the regional variation in Ontario and why LHINs really make a lot of sense is that in an urban area as opposed to a rural area or an area that happens to have a psychiatric hospital

nearby, those benchmarks have to be taken with a grain of salt depending on what the comprehensive set of resources looks like and also what the total needs of the community are.

So, in a word: Yes, bring it on. We need more and more, but also just a little asterisk as a cautionary note as we look at these.

The Chair (Mr. Norman W. Sterling): Could we—the committee—make recommendations that we immediately move to some measures that would become public so that we have some idea of where the greatest lack of resources is in our province, which LHIN needs the most help or which LHINs need the most help? I really believe that if the numbers are there in some form that the general public can understand, more equity will prevail in the long run. I understand the difficulties. You can provide an asterisk with regard to any kind of statistics that you want, but if you don't have any numbers, then we continue along in the quagmire that we've had, you know, for the last decade. France?

1320

M^{me} France Gélinas: I didn't have—

The Chair (Mr. Norman W. Sterling): Did you have any questions?

M^{me} France Gélinas: No.

The Chair (Mr. Norman W. Sterling): I'm sorry.

Mr. Ron Sapsford: I think, in part, in response, when the auditor takes a snapshot in time, there will be variation across the question of ACT teams and how busy they are. The ministry itself has noticed that as new teams come into place, it takes a certain amount of time to come up to the full caseload—partly because of hiring, partly because of newness.

The guideline that has been established is roughly 80 to 100 clients per team, and I think that's where the notion of 10-to-one staff came from, whereas I think others in the sample that were looked at were probably newer teams that weren't to full strength. Of course there are from time to time teams that in fact could do more but aren't and require some remediation on that front. So the standard, at least for the ACT teams, is relatively clear. Getting the performance, I think, is the question that you've raised, and some reporting on that. Certainly the intention of accountability agreements is to provide that kind of reporting.

The question of the distribution of resources across LHINs is a slightly different question. If we go back in time and remember where ACT teams came from, it was in part in response to discharges from provincial psychiatric hospitals, the movement from in-patient to outpatient care. One will find that the concentration of these teams tends to gravitate around former provincial psychiatric hospitals, and, when you look at, "Well, where are the resources?" you see a disproportionate allocation based on some of these factors.

The new funding model the ministry is looking at—we call it HBAM—is to begin to look at broader population models so that we can begin to balance out some of the concerns that you've reflected.

The Chair (Mr. Norman W. Sterling): Ms. Wright, from the Canadian Mental Health Association from Ottawa.

Ms. Marion Wright: I'd like to add another dimension to the conversation about ACT teams and accountability. I'd like to also draw on some of the research that the Ministry of Health and Long-Term Care, in partnership with some of its community partners, conducted over six years, across the province, called the "community mental health evaluation initiative," which compared outcomes, not outputs—which would be numbers of people—what happened to people and the quality of their lives, and, in some cases, the economics, looking at ACTT comparisons and looking at intensive case management. The results are published; they're excellent; they show full well that intensive case management works extremely well, with the same kinds of outcomes as the ACT team, is substantively less expensive and may be suited to other populations.

One of the criteria for ACT team involvement is that the individual has a certain number of hospitalization bed days etc. One of the problems that we are facing in this province at this time is an increase in homelessness—individuals who are living in shelters, living on the streets, and who, by and large, do not populate to the same extent our in-patient psychiatric units and our acute hospital psychiatric beds.

An intensive case management model with assertive outreach is one of the ways to tap into the needs of that population and provide the same kinds of outcomes for those individuals as an ACT team does. So I just wanted to provide a perspective that ACTT is not a unitary solution; there are others that are working for other populations, work equally effectively, have been examined, have fallen under the same scrutiny that ACT teams have and have standards attached to them as well, so that there can be accountability measures built to look at fidelity to the particular model on behalf of community providers, and provide that information on a public basis.

The Chair (Mr. Norman W. Sterling): Ms. Elkin, from WOTCH Community Mental Health Services in London.

Ms. Diehl Elkin: Yes. I just would reiterate my colleague's sentiments on the ACT teams. I firmly believe that we need all levels of care in the community. When we are referring to the ACT teams, we are basically referring back to a hospital-based service, based on their criteria that they must have a certain number of hospitalization days before they qualify, as well as a bona fide diagnosis.

There are a lot of people that fall through those cracks, and those cracks are seen in the homelessness population. When you have a homeless population that you're trying to work with, who do not have a formal diagnosis of a serious mental illness, they're lost to the system; they are lost to the community. There are no services available to them other than shelters and outreach street workers.

I would just reiterate: Please refer back to my colleague's comments on the research that the Ministry

of Health did a few years back on community mental health. Please, I would reiterate that you look at the broad picture. Even though hospitalizations are necessary in some cases, they're not necessary in all cases.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mr. McNeely. I'm sorry. Mr. Balkissoon.

Mrs. Liz Sandals: No. There's Phil and then Bas.

The Chair (Mr. Norman W. Sterling): I'm sorry. Phil, you go—

Mrs. Liz Sandals: I was giving you a whole list.

Interjections.

Mr. Bas Balkissoon: Phil's going to come in later.

Actually, the last questions and answers could segue into my question, because on page 7 of your comments, Mr. Sapsford, it says: "The ministry is working toward a system that will provide the right kind of services to help people live the best possible quality of life in their communities." On page 3, it says: "The LHINs are responsible for planning, funding and integrating local health service providers, including the oversight of their community mental health service providers."

In the case of a homeless person or a person living in a shelter or a group home, can you, or anybody on the panel, I guess, tell me about the oversight by the LHIN and what services are provided to a person living in a group home, as an example—how that is done? I really want to understand that, because to me, that's where we get the highest possibility of complaints from the local communities.

Dr. Robert Cushman: I'll take a stab at that. I think the real issue here is case management: knowing who the client is and where they are at a point in time.

The other thing is, there are other agencies and other ministries involved here. In our community, certainly, for homelessness, we've had discussions with the shelters, which we don't fund; we've had discussions with the municipality, discussions with the United Way, discussions with the police. By and large, at the grassroots level, I would argue that you're able to bring key players together quicker than you are from the provincial level. So that helps us.

Also, looking to pool resources: It's been talked about—housing and homelessness. There's an initiative going on in Ottawa now where we have a number of players—again, some of the ones I mentioned earlier—coming together. Just to have that closer to where the decisions are made and to know the players—my thesis is that that helps deliver a better service.

I would also say that, historically, the health care business has been from the bottom up in terms of observations about new diseases, observations about clinical interventions that are effective. I think that, because we're now at the local level and we're able to get involved at the community level, we can make a difference with respect to that, again, as I said earlier, by bringing the players together but also having a better handle on who the clients are.

We have an inner-city health program in Ottawa, and by and large, we know who those people are; there's a

roster, effectively. But what we have to do is extend that roster to a number of other illnesses in this particular domain.

Mr. Bas Balkissoon: So how do you see the oversight in a group home situation, and the accountability, and what are the things you're going to measure when you're dealing with clients in a group home setting?

1330

Dr. Robert Cushman: I think the deputy minister touched on it, as did Ms. Sandals. There's a lot of what I call other evidence from other domains: ambulance use, emergency room use, police encounters, all these types of things. What we know, for example, from the city of Ottawa is that we have a certain number of people who use an inordinate amount of these resources. We can have them on a roster, we can see that we're dealing with their needs upfront and we can actually compare what they used last year to this year. That was actually done in a paper that was published in the Canadian Medical Association Journal a few years ago with respect to an Ottawa population. What we need is more of that.

Mr. Bas Balkissoon: Just one last question on accountability because I've had situations, working with group home administrators, the local police and some of the local street workers. In a lot of cases, most of the people actually say that the mental health person—when they're in their shelter they're responsible for them, but the minute they walk out the front door they're on their own. That's where the community comes in and is quite reluctant to see some of these homes in their particular setting. How do you see us changing in the future to take some responsibility and accountability to that particular client when they walk out of that group home onto the public sidewalk?

Dr. Robert Cushman: You've just touched on probably the weakness of the health care system in Ontario today, and that is the transitions. Transitions of patients: It doesn't matter whether it's diabetes or schizophrenia; we have a 400-highway series with poor bridges, basically. We do very poorly with the transitions. This gets back to the point about case management: People have to have a caseload and they have to be the case manager and the navigator for these folks regardless of where they are. By bringing the various agencies together, this is the type of system we're building.

Marion, do you want to comment a little more on this? Certainly you know much more about it than I do.

Ms. Marion Wright: Thank you. I think from a "how do you fix the system"—seeing as we're into infrastructure and building bridges and repairing roads—significant investment, as Dr. Cushman has said, into two levels of support. One would be intensive case management service to ensure that when those folks do go out the door of the shelter or the group home, there's someone who is assisting them, managing them—the term doesn't sound very good, but navigating them through a myriad of services and resources.

The other thing that we need, and we desperately need from a health perspective, is housing. We need afford-

able, safe housing with supports. That's the long-term way we're able to really address issues of homelessness and severe and persistent mental illness. Most of those individuals are residing in our shelter system, in our jails, in our acute hospitals for long lengths of stay. If we are really going to look at fixing the system from any perspective—from a humanity perspective, from an economic perspective, from any way you want to look at it—those are two very key investments that would go a long way.

Although the Ministry of Health has been very good about providing investments in this area, the under-resourcing at the community level is by more than 100%. So the investments have been excellent, they've been good, but they haven't been anywhere near adequate to address the emergent needs, the current needs or even the needs we had in 2003, when some benchmarking was done.

Dr. Robert Cushman: Just to pick up on that, what we've heard, for example, from some of these programs is that when the treatment is finished, they have trouble placing their patients because, again, affordable housing and housing with supports—it's not just the programs but it's the affordable housing and the supports. I've been in this business a fairly long time and with public health, emergency rooms, pretty much there's a good spectrum of health care. If you ask me what health care in Ontario needs today, I would tell you that the answer is affordable and supportive housing, not MRIs in hospitals. That's from the mental health perspective, that's from the seniors' perspective—this ALC crisis we're having, which is really a symptom of the fact that we don't have enough affordable and supportive housing.

Also, very early in my career, I did a lot of work with young children. Many of our young children are nomads. They go to four or five different schools during the year, and the reason is that they don't have affordable housing in safe neighbourhoods. Getting back to Marion's point, with this infrastructure investment we're talking about, if I could just leave a message with you, I would hope there will be some investment in affordable housing as well as bridges and 400-series highways.

The Chair (Mr. Norman W. Sterling): Could I ask a supplementary on that? Is there a measurable number, LHIN by LHIN, so that we could get a picture, LHIN by LHIN, of the need for this kind of housing? Is it a number that can be produced and understood?

Mr. Ron Sapsford: We certainly have information, LHIN by LHIN, for existing and/or planned expansions to the supportive housing from the Ministry of Health. Certainly we can provide that. As to the details of every LHIN's plan, I don't think we've got that collated.

Dr. Robert Cushman: Mr. Chair, we're working with the various municipalities in our LHIN to look at what their housing stock is; for instance, the vacancy rate tells you quite a bit. But through the Ministry of Health's information in terms of what they're investing—also, there's a round table in Ottawa, for example—we can come up with a fairly solid portrait of what the needs are.

The Chair (Mr. Norman W. Sterling): Thank you. Mr. McNeely?

Mr. Phil McNeely: A question for Dr. Cushman, whom I worked with for many years in Ottawa on Smoke-Free Ottawa, pesticide problems and things like that; I'm very pleased that he's here today.

On page 8, the deputy minister mentioned that \$50 million was invested in service enhancement and initiative expansions to keep people with mental illness out of the criminal justice system. My question for Dr. Cushman is, how is this going with the youth interface with drug addition, mental health and the criminal justice system? How is this working out? Our youth are, of course, very important, and I know that Alex Munter, with Youth Services Bureau, is in that business as well. I'd just like to know how it's going in our LHIN in Ottawa.

Dr. Robert Cushman: First of all, I think there are some key points here. What we're hearing from the psychiatric community is that the facilities available for children and youth are actually poorer than they are for adults. This is very interesting, because it gets back to the whole "ounce of prevention" piece. If you talk to the experts, they will tell you that if you really want to help someone who has a chronic mental illness, \$1 invested before the age of 25 is probably better than \$10 invested after the age of 25. So there's a real imperative to do something.

Our community has really come to the fore on this, and by and large identified this problem and talked about the need for more resources. We have been the beneficiaries of some funding for a new youth treatment centre for some involvement in the schools, and there's been a pooling of resources—we're very grateful for the ministry funding, but also United Way funding, and the school boards have come on board—just in terms of getting these interventions into the schools so that we can again build a comprehensive program for youth in our community.

I would add too, though, that while I'm a big fan of the auditor's report—really, this is a terrific report—the one blind spot I thought there was, Jim, was that the interface with mental health and addictions was not clearly identified, and that's probably because you were looking at a funded sector. But what people are telling me—and we all know it when we think about it, especially for youth—is that there's an enormous interface, basically because of the self-medication. This is the problem you see very much for youth. Again, there is a little bit of tension—there is tension—between the mental health sector and the addictions sector, and somehow we have to get some confluence on this if we're really going to deal with these problems. There is a tendency for one sector to say, "Oh well, if it's an addictions problem, it's over to you" or if there's a history of schizophrenia, "It's over to you," even though there is a substance abuse issue. This has to stop. We have to be more effective and to really meet the needs of the client and our community. We have to do some work in this area.

1340

The Chair (Mr. Norman W. Sterling): Ms. Elkin, did you have a comment?

Ms. Diehl Elkin: Yes. I wanted to back up just a little bit. When we were talking about the responsibility of the Ministry of Health with individuals in shelter situations, I believe the comment was made that once they leave the shelter, they're somebody else's problem. I think that's an indicator of the need for not just the Ministry of Health to be responsible, but for all ministries to be responsible. That way, we could work through ways, at the bureaucratic level, of interacting to downplay these issues around uses of emergency rooms, uses of the criminal justice system.

I would like to now comment on the housing situation. In London, specifically, we have 157 apartment units for the homeless population, and this has been highly successful, because they are supported through intensive case management. We have 72 beds in 33 homes that are supported through intensive case management. I would like to reiterate the importance of the supports with the housing. I think that housing is not successful unless there are ongoing mental health supports, and that includes addiction knowledge and supports in addiction.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette.

Mr. Jerry J. Ouellette: We'll go to the London issue. When you talk about the success of the 157 units, according to the London, Ontario, police, they have doubled the time they spend dealing with clients like this, as a result.

We talk about the \$50 million that Mr. McNeely brought up. Is there any tracking of the information, as to the number of increased costs on the policing community for the deinstitutionalization of individuals, or other aspects, such as the 157 units that were just mentioned in London?

Mr. Michael Barrett: I can respond on behalf of the London question. We've had numerous discussions with the police services board, as well as with the deputy police chief, around this issue. They do track that information. I don't have it here today with me, but we could get it for the committee's review. They have significant concerns about the number of clients they're dealing with that they end up picking up at the emergency department—because they're not there for health services. They need supports from the community mental health agencies. So we're in discussions now to look at initiatives that would help divert those clients away from the emergency departments and get them to a place where they're more appropriately served. As opposed to having them be dealt with from a criminal perspective, get them dealt with from a health care perspective.

Mr. Jerry J. Ouellette: It's not just the London area. I know that where Christine and I are from, in the region of Durham, I get a number of inquiries regarding mental health and the policing component and their ability or lack of ability to deal with that issue.

Is there a province-wide initiative that you're aware of to inform—I know the police have in-service training, where they have automatic training on an annual basis

that would update the skills of the on-the-street officer to be able to address these issues, immediately identify and know where to go. I don't know if that's in place now or if there are any initiatives like that.

Mr. Michael Barrett: I'm not sure, but Diehl may have that information.

Ms. Diehl Elkin: Yes, there is ongoing training. The issue is not whether the police are trained or not; it's partly one of a police officer's time, and having to guard an individual in an emergency situation at a hospital. It also has to do with the dignity of the client, and having to have the police officer sit beside them until the busy emergency room triage can see that person.

The other thing is that the London city police respond to twice as many mental-health-related calls as they do to car accidents with injuries. That is a tremendous amount of dollars and cents, if you want to take it back down to that, and time across the board—of hospital staff, of mental health workers, of police. It's just the process that is difficult. It is not people not wanting to help the individual.

Mr. Jerry J. Ouellette: Maybe that's something, Chair, that we could possibly have some recommendations on trying to move forward.

Some of the other areas to discuss: I think it was Mr. Sapsford who mentioned, although I'm not quite sure, the reaction to medications. Is there any linking of mental illness to medications that would be improperly—that cause depression or those aspects? I've watched TV commercials or know individuals who have depression reactions to medications. Is there any tracking of that sort of information to ensure that proper medications are not causing the reactions that are sometimes taking place?

Mr. Ron Sapsford: Certainly the ministry doesn't track that, in terms of clinical treatment. Drug reactions, in the clinical side, would happen all the time. As to how broad a problem that is, I'm not exactly sure. Perhaps one of our providers would be able to answer that. Unless there's an issue with the drug—it's often in terms of an adverse event—in which case there is federal reporting of that, about the action of the drug itself, but not in ongoing practice.

Mr. Jerry J. Ouellette: Recently—it was on the weekend—I saw a television commercial—it's the first time I saw it—where one of the reactions to the drug was severe depression. I know that's US-based advertising, and we don't have that here, but I wondered if there was anything equivalent that we would have in Canada to monitor those sort of things.

Mr. Ron Sapsford: No. My view of that would be that that's part of the clinical decision-making of the physician. So the monitoring of the patient with that kind of medication, when there's a common side effect that's well understood, would be the responsibility of the physician to do that kind of monitoring—or the institution, if it's a medication dispensed as part of a course of hospital care.

Dr. Robert Cushman: Just to add to that briefly, as the deputy said, that's really a clinical issue, and a very important clinical issue.

Now, if there are side effects that have been documented, there is a reporting mechanism with the federal government. How well it's used is another issue, but this is why sometimes we see these reports coming out about these medications where further restrictions are urged.

One thing you're touching on that is very important, which you're implying maybe, is the abuse of prescription drugs when we talk about addictions. The abuse of prescription drugs sold on the black market is right up there now rivaling cannabis and cocaine and other drugs, and this is a serious problem.

Mr. Jerry J. Ouellette: The deputy mentioned the website had 107,000 visits. Was that website in 140 languages? It doesn't specifically say; it just mentions that there was service in 140 languages.

The other aspect of that is, is there any data tracking as to common information that could be provided through advertisements of some sort from those 107,000 visits? So if it's a common thing like, how do you react to this? It could be done through television advertising or commercials, as we're seeing with a number of service providers, whether it's Canadian Mental Health providing in this situation. Are we seeing any information or is there any data tracking from that?

Mr. Ron Sapsford: The website is not in 140 languages; it's the phone lines. Remember, Connex is about the addiction treatment network, it's about community mental health services, it's also about forensic bed directories; there are a number of functions of that service. The 107,000 is directly related to the website, but when people call in, there are translation services available to help people understand.

The kinds of requests, though—well, in some cases, they've dealt with crisis calls on the phone; a small minority of the calls are based on that. But it's more about providing information to callers about where they can get access to service at their particular community. So it's more of an information and access point than it is about trying to provide more direct service on the phone.

1350

Mr. Jerry J. Ouellette: Okay. Also you mentioned the aboriginal component in mental health. Doesn't the federal government have an agreement to cover some of the costing for aboriginally-related mental health?

Mr. Ron Sapsford: Well, for services on First Nation reserves, yes, we look to the federal government, but there's a very large aboriginal population in Ontario that lives off-reserve. So the ministry works very closely with the aboriginal health association and different groups to provide culturally sensitive services off-reserve. So it's a combination of federal and provincial funding, depending upon the status of the reserve and where the population lives.

Mr. Jerry J. Ouellette: Lastly, Deputy, you had mentioned the distribution of resources. We had heard earlier on during our briefing that on a per capita, per patient basis it ranges anywhere from \$115 to \$20, yet we have about 320 service providers. Is there any breakdown as to the number of service providers and how the

funding would apply? So, for example, in the LHIN that we're in, we may have five service providers where another one, just to use figures, may have one. In that one, they may receive \$115 whereas in the five providers, they may receive \$20 each. Is there some sort of breakdown for the resources and the funding aspect that way?

Mr. Ron Sapsford: Yes. We can provide information, annual funding, by provider, by LHIN. So we have it segregated or distributed that way.

I think the issue when you get into per capita is not straightforward in the sense that just because a service is located geographically in this position doesn't mean that it doesn't serve the population from a neighbouring LHIN, particularly in some of our city centres where there's a concentration of service. Particularly here in Toronto, the residents of Halton and/or Durham and/or York may receive service in Toronto proper, but the way we publish the number on a per capita basis would show a higher per capita expenditure in Toronto versus Halton, for instance, simply by virtue of the referral patterns.

The newer mechanisms that we're talking about—in our response to the committee, we referred to a mechanism called HBAM, which doesn't focus on geographically where the service is located but looks at the referral population so that we can in fact understand who's being served by a particular provider and allocating that back to the LHIN of residence, if you will. That will help in terms of future allocations as well as long as we understand that the LHIN borders are not closed. In other words, where someone gets service isn't directly dependent upon the LHIN in which the service provider is located. I think you have to bear that in mind when you start to look at per capita expenditures.

What's more important from the ministry's point of view in allocations is around some of the factors that go into allocation: the age of the population; the socio-demography of a particular part of the province; we've heard about homelessness, so factoring homelessness into allocation questions. These are more important factors to determine the level of funding that we provide, as is the geography of a specific service provider. For instance, in northwest Ontario, geography is important. I think the per capita is about \$175, but given the size of the population, the size of the geography, we're not going to take resources away from the northwest because the per capita calculation is at the high end. So the newer approaches to funding allocation look at the characteristics of the population: Who are we trying to serve, and what are the better ways to allocate resources to satisfy that particular population's need?

The Chair (Mr. Norman W. Sterling): Could I ask a supplementary on that, Mr. Deputy? The auditor pointed out this particular problem of allocation of resources first in 1997, then in 2002, now in 2008—11 years later. You have indicated in your interim report to us, on page 4, that you have developed a health-based allocation model, HBAM, which I understand you're referring to. You're saying that "it is expected that the community mental health module will be ready within 24 months."

My first question is, why does it take 24 months? My second question is, will the module be ready at that point in time or will it be implemented at that time? And if it won't be implemented at that time, when will it be implemented, so that we can get a fair allocation of these resources across all of Ontario?

Mr. Ron Sapsford: The methodology requires that we have a certain amount of data and information on the population that we're trying to serve. I think, as the auditor also reported, the ministry's data sets—in other words, the information that we have reported on clients served in agencies, and the kind of information that we need to make those allocations—aren't complete. In some cases it's not reliable, because the reporting mechanisms need to be strengthened, and I think the auditor indicated that as well.

Part of our response has been to strengthen the reporting requirements from community mental health agencies to make sure that we can fill in the information sets that we need in order to proceed with that kind of allocation, and then to actually run the methodology and go through the normal testing that we would go through to make sure that it's a fair and accurate method of doing the allocation. That's part of the reason it takes time.

When we started this data collection—you have to remember that in some cases, many community mental health agencies didn't even have computers to report; this was a paper-and-pencil exercise. We've had to do a fair amount of investing in the infrastructure in order to create the system that would allow us to move forward. That's principally the reason that we've estimated, I think, 2011, which would be the point at which we would look to make allocations based on this newer methodology.

The Chair (Mr. Norman W. Sterling): How are the LHINs going to be involved in that? Are they going to be the collectors of information?

Mr. Ron Sapsford: They don't collect it directly. In all of our reporting since LHINs were put in place, we've tried not to duplicate reporting systems. So where there was provincial reporting and continues to be, or new information requirements, we continue to rely on the reporting from the agents through the normal ministry channels. Then the ministry presents the information back to local health integration networks, as opposed to creating double reporting processes.

The normal reporting that agents would have, the LHINs have an influence on what is reported, so if there are new reporting requirements, then we work that through, to make those requirements, in either accountability agreements or new regulatory reporting requirements.

The Chair (Mr. Norman W. Sterling): Do the LHINs have access to that information, that raw information that you get?

Mr. Ron Sapsford: Yes. We've set up electronic mechanisms to communicate.

M^{me} France Gélinas: Continuing on with data collection, are you telling us today that you feel confident

that 24 months from now, we will have robust—for lack of a better word—data coming from all 330 community mental health agencies?

Mr. Ron Sapsford: Yes, that's the plan. I think we've all been impressed, as the Chair has indicated—there has been audit after audit that speaks to this issue, so we've made a concerted effort to try to plan this out.

My only concern about it is that there are 330 agents, and if you throw public hospitals into it and a couple of agents, there are a great number of disparate agents that we have to rely on for accurate reporting and then, subsequent to that, making sure that the funding formula itself works and that we can account for variations in our existing services and what population is that serving and where do we need new services based on some of the analysis that LHINs are doing in their local planning.

1400

The notion here is that we would be using it to allocate money to the LHIN. Then, according to their local plan, the allocations to individual service providers would take place. So this isn't about the ministry figuring a way to give agency X more money; it's a method to fairly allocate resources across population need, LHIN by LHIN, and then relying on the LHIN and their mandate to actually work with local agencies and local providers to do the detailed allocations.

M^{me} France Gélinas: We've heard this afternoon statements like—and I think we all believe the mental health delivery system is complicated; it has more variation than a lot of other parts of the health care system, whether it be in treatments or services or even the type of medication that will be used. We've also heard statements such as, "There is a stress on the resources," with a parenthesis saying that there could be some efficiencies to be used in there. But comments such as, "They didn't have computers," lead one to believe that we're dealing with an area of the health care system that may not have been very well resourced. Then I hear, "Twenty-four months before we have data that will allow us to allocate money to the LHINs that will then allocate it." If I knit all of this together, are we looking at an area of the health care system that is poorly resourced to meet the needs, which are very complex, and that hasn't got a whole lot of a chance of getting any more resources for the next 24 months because we don't have robust data available to help us do this in an accountable way?

Mr. Ron Sapsford: That would be an emphatic no. We will continue to allocate resources to community mental health services according to our budgetary allocations. In the last year there were additional allocations made, and those decisions will continue to be made. Please don't make the mistake of assuming that we won't allocate any more until there's a new funding formula. We will have to rely on the advice of local health integration networks, and some of the perspectives that the ministry staff bring to bear on relative need, and continue allocating new resources where resources are made available by the government. One does not stop the other.

The adequacy of resources: There is need in the system; no one is going to debate that, least of all me. The question is, what are the gaps, where should the money be allocated and at what pace can it be absorbed by the system? There you will get a variation of views on that; some say faster than others. I would simply point out that in the past four years there has been a \$200-million increase which the system has absorbed. The research is ongoing right now as to its effectiveness. We've tried to not just do a general analysis but to look very specifically and to fund research in questions around the ACT teams, the crisis intervention system, the relative use of resources of hospitalization versus community treatment, and to actually measure some of the outcomes of those investments so that we have better information on where we make the next set of investments over the next four or five years.

From my point of view, this is a longer-term issue. It cannot be resolved in two years. There needs to be a sustained look at this system over a longer period of time, initially based on improving our data, our information, so that our decision-making can be better, and to invest based on local planning and advice from providers in those parts of the system that show the best results.

I think some of the examples you've heard today about assertive treatment teams, about the importance of very strong case management, the importance of not just drugs and hospitals but supportive services to people who live with mental health issues for long periods of time—it's not episodic; it's over months and years in many cases. The needs of people change as their condition changes. So we need to do this, from my point of view, in a more measured and long-range perspective.

M^{me} France Gélinas: When I hear you talk about gaps, would that also include such things as—in order to provide quality care, let's say, in case management, we know that consistency is important. When agencies have a hard time recruiting and retaining staff—because in my community their salary grids are way lower than any other parts of the health care system, and I will include the CHC that I was from. I was always arguing for more funding, but when I looked at my cousins in the mental health system, their pay scales were even lower and certainly their benefits were even worse, which meant that recruitment and retention were an issue, which meant that continuity of care was an issue, which meant quality affected outcomes etc.

So when you look at gaps—I'm trying to use the language that you've used—are those the types of gaps that would be on the radar or are we—I will leave it at that.

Mr. Ron Sapsford: I have to say to you that when I'm talking about gaps, it's really more in the service systems themselves, or particular functions. Wages obviously have an impact on employment. I don't have any specific position on that point alone. I know that when new money did go into the system, though, there was a fair amount of turnover in some community mental health agencies as a result of that. The salary question,

from my point of view, is more of a local question. But to the degree you can't find staff to provide the service, that would certainly be an indicator you'd have to take into consideration.

M^{me} France Gélinas: Could I ask Ms. Wright a little bit as to—she's from the Canadian Mental Health Association—

Mr. Ron Sapsford: Sure. That's better.

M^{me} France Gélinas: —how she deals with it at the local level.

Ms. Marion Wright: Thank you for your question. Also, another issue that bears looking at with respect to this is unionized staff and collective bargaining responsibilities that many of the community agencies have. We have found that recruitment and retention are very challenging in the community mental health sector, especially compared to our hospital colleagues. We would employ nurses, psychologists, psychiatrists and social workers, and what they are paid relative to working in the community—what they could get elsewhere is a measure of their dedication to working in the community because there certainly are disparities there.

I do think that the increases that have come across the board from the ministry in the last several years have not kept pace with the bargained, unionized environments that many of us find ourselves in, and as a result we need to reduce our number of staff—and therefore our ability to provide services—to maintain a balanced budget. So it is a challenge for us. Thank you for your question.

M^{me} France Gélinas: So if I understand it well, there is a gap between what you are paying your employees who hold the same degrees as the hospital—I'm hearing you say that you pay your nurses less than what a nurse is getting in a hospital, plus I'm hearing you say that you actually have to cut services in order to meet those lower pay scales.

Ms. Marion Wright: The first part of that I would certainly agree with. The second part was really related to unionized environments where, for example—and I'll speak from my own agency's perspective. We received a 1.5% increase this past year and our unionized environment and our collective agreement had us providing 3.25%—so that difference. Appreciating that these are very difficult issues to deal with on a provincial level and certainly looking at how services are provided in the community, it's different than it is in the hospital. There are many people, many of my staff, who would say, "I would far rather work in the community, because I'm closer to people"—or for a variety of reasons—"than work in the hospital." For them, even though there is a salary difference, they choose to work in the community. So I don't think it's as clear and straightforward an issue as one might think when you first look at it.

1410

M^{me} France Gélinas: Just to give me an example, if we take a nurse in your own community, what would be the difference between what you pay and what the hospital pays? Just give me an example. Are we talking a dollar an hour or \$10?

Ms. Marion Wright: We're talking about 10% to 15% less, with respect to wages. If you look at benefit packages, I think you're looking at substantively more.

M^{me} France Gélinas: So you offer better benefits?

Ms. Marion Wright: No, we don't. We offer less good—whatever that word is. No, we don't offer benefits that are better than those for the hospital-based nurses, for example.

M^{me} France Gélinas: Do you offer a pension plan?

Ms. Marion Wright: The Canadian Mental Health Association has a very small pension plan, yes.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Mrs. Albanese.

Mrs. Laura Albanese: We've heard that the community mental health programs are delivered by different ministries at times. I wanted to ask, is there any coordination between the services that could be offered under different ministries? Has any effort been made to break these silos, for example, with the Ministry of Municipal Affairs and Housing—we heard that housing is one of the main issues—or the Attorney General for the courts?

Mr. Ron Sapsford: Yes, there is a great deal of inter-ministerial co-operation, at the level of the province but also at local levels where there's work with municipalities, and between LHINs and municipalities, on issues related to housing. There are a number of them.

In the criminal justice side of it, the ministry and the Attorney General and the Ministry of Community Safety have worked for a number of years on issues around forensic mental health—which isn't the topic here—but also, as I talked about earlier, the court diversion programs, where we can intervene at much earlier levels. There's been a formal committee that's been struck for a number of years on that particular front.

The Ministry of Community and Social Services would be the other example I'd use, where we share a population. We refer to it as the dual-diagnosis population: developmentally handicapped people who also have a mental health problem. There, the ministries work quite extensively together. In fact, I think there's been a new guideline that's just been published in the last month or so between the two ministries to clarify responsibilities and how we manage this population between health and community and social services. In this particular case, MCSS has the lead responsibility for this group of clients, supported actively by the Ministry of Health through LHINs and local providers. That would be another example.

In the housing area, I know we've had extensive discussions; in fact, the Ministry of Health's housing stock, if I can use that expression, really was inherited from other ministries over the years. So our supportive housing stock—I think there are about 8,500 beds now related to mental health clients—came from municipal affairs and housing over time.

There are different forms of housing options for people. You heard some of the discussion today about how that works, or in some cases has difficulty working,

because the Ministry of Health has housing stock related to certain populations—municipal housing, domiciliary care. All of these different forms of housing programs serve clients with mental health issues. So there's a fair amount of discussion among the ministries around questions of housing stock as well.

Mrs. Laura Albanese: So if we talk about the need, determining the need, how do we know, let's say, how many beds dedicated to clients with mental health problems are being allocated from the Ministry of Health, the Ministry of Housing? Is there somebody keeping track of that or—

Ms. Carrie Hayward: It's a combination. We've talked earlier about not always having a "need" sense of information, but working with the resources that we have. We certainly work very closely with other ministries. For example, in terms of supportive housing the Ministry of Health invested in 2,200 new units of supportive housing. Also, municipal affairs and housing was developing an affordable housing program. We negotiated with them to actually enhance and ensure that a portion of their allocation was actually going to build affordable housing for people with mental illness. So another 600 to 700 units of housing were put in place through that avenue as well.

When we were working on the service enhancements to keep people with mental illness out of the criminal justice system, we were working very closely with children and youth, with MCSS and corrections. One of the things that we did do was look at the very specific needs of those ministries. Dr. Cushman mentioned issues around youth mental health; we actually transferred some of the resources associated with that initiative to MCYS to build onto their children's treatment system.

With respect to developmental disability and dual diagnosis, the Ministry of Community and Social Services was creating a set of specialized networks, if I recall, to provide some very specific supports to those clients. Again, as part of that initiative, we actually transferred some resources to that ministry to deal with some very specific need that they had that tied in with our overall strategy and initiative.

With corrections—we talked to corrections—their concern was when people are actually released from jail. They were very worried that they may have provided care to people in the jail but when they got out of jail there was a potential for recidivism. So that ministry actually identified where they needed more case managers in the system, based on where the jails were located. About 36 FTEs were identified to line up where those jails were, so that when people actually left jail their probation officer would be able to work very closely with a case manager to ensure that they had continued support and could be linked up with appropriate community service.

One of the things that brings all of that together is something called the provincial human service and justice coordinating committee. It's a provincial committee but it's comprised of regional committees and

people who work at a regional level, and then also subsequently at a local level, where you have very extensive partnerships between police and corrections, justice, the attorney general and our community mental health agencies, who are all trying to work together to try to meet the needs of those particular clients and ensure that there's a lot of cross-ministerial coordination.

Mrs. Laura Albanese: So are there any future investments planned by the Ministry of Health and Long-Term Care in this sector? I guess the other question that remains for me is, how do you identify where to make those investments? Is it, for example, through these groups that you just mentioned or through the LHINs?

Mr. Ron Sapsford: From the last budget cycle, there was a commitment for community mental health of an additional \$80 million. This would be an additional expenditure over the next three years. Of that allocation, there was a plan for a thousand additional supportive housing beds over that period of time. So we're right in the process now to start implementation during fiscal 2009-10 for the first part of the bed stock. The monies will be allocated through local health integration networks, who will then look at where their relative need for investment is in programming and make those decisions.

Mrs. Laura Albanese: Thank you very much.

Dr. Robert Cushman: I was just going to add—sorry, one piece, just in terms of what Carrie Hayward was saying—that in eastern Ontario, the children's hospital, which is mostly Ministry of Health, and the treatment centre, which is the Ministry of Children and Youth Services, and the CCAC have gotten together and identified 170 patients who are very needy and cross the boundaries between the various ministries. While it's not really an effort to look for more funding, it's an effort to pool resources to do case management in a better way, to meet the needs of these families. To me that is another example of, in terms of really knowing what our caseload is and really knowing what their needs are, having patient- and family-centred care.

These are some of the initiatives that are currently going on which I think are very positive.

1420

Mrs. Laura Albanese: I appreciate that. Actually, that was the intent of my question, to see if there is coordination between the different ministries, not only for funding but also to share, let's say, what's available there, and best practices, models that could be used across the province, if that's suitable.

The Chair (Mr. Norman W. Sterling): Mrs. Elliott.

Mrs. Christine Elliott: Good afternoon. I'm sorry I wasn't able to be here for your entire presentation, but I was certainly very interested in the comments that you made about the correlation between the mental health and addictions piece. That is something that I've just heard about recently in my riding. Of course, we have a large mental health centre there and have some very willing local agencies that are working together. Recognizing that, they have come up with a very innovative court program. We already have a drug treatment court that

was put together voluntarily by the judges, defence counsel, crown attorneys and the addictions services in the area, but now they're looking at developing that into a mental health and drug court, recognizing that you can't really deal with one component without dealing with the other component. The idea behind it, of course, is to make sure that people get well, that you can treat both sides of the problem. What we also want to do is make sure that people stay on their meds and stay off drugs, and can then live in the community.

That sort of leads to the next part of it, which to me is one of the major problems hindering community access and the success of community programs, and that is, what do you do with people who don't realize that they're ill, who don't have that insight? You might be able to have all the best community services in the world, you might have social housing that's going to be able to serve them, but—we can see that this is happening on a daily basis. Just two news articles today: One gentleman, who died alone in his own apartment, didn't have access to services because, I suspect, he didn't realize that he needed them and was living a very isolated life; the other one, with respect to the person who's alleged to have pushed those boys off the subway platform. To me, they're all evidence of the same sort of thing, that we need to have some sort of change in our mental health legislation, recognizing the need to balance civil liberties with society's right to be protected, and also the right of the person to be treated like a human being too, because we're not doing them any service by allowing people to live on the streets, by not having any access.

I can tell you—and I'm sure all the other members here would agree that they have people coming into their offices on a daily basis, family members, saying, "I have a very ill family member and I can't get any treatment for them." I'd just like to get your comments on that. Do you think that we need to have some changes to our mental health laws?

Mr. Ron Sapsford: The Legislature has looked at this question a couple of times before, in the Mental Health Act. I think you're quite right. The balancing of an individual's rights to freedom and liberty against questions of danger to the public or to themselves is, I believe, the way it's cast. From my point of view on those questions, I think the current legislation seems to be stable. We've not received huge pressure from the public or from the treatment community that that balance needs to be relooked at.

The other adjustment that was made to legislation was around the issue of community treatment orders, that treatment under the legislation did not need to be confined to a treatment facility but could be extended into, if I can say, the outpatient side of it. I think that was the last major innovation that allowed treatment to proceed in cases where otherwise it may not have been followed by a particular client.

That would be my summary of it. As I've said, we've not had, as far as I'm aware, strong pressure for amendments to that particular part of the legislation. I don't know whether Carrie has any comments.

Ms. Carrie Hayward: No. The only other thing I would add to that is of the investments that were made in the last four years, a significant amount did go to crisis service. One of the main purposes of a crisis service is to identify a client in need, and it might be the very first time that they're in need of service and then can be referred appropriately to other community services and hooked up to get the support they need. Many of those crisis services are also connected with the police and their mobile teams who actually go out and travel with the police to provide that. So that's one of the ways we've approached that particular aspect of service. That doesn't help those people who don't necessarily know they're ill, but if they have an event then certainly they're connected.

Also, we talked about ConnexOntario. As the deputy mentioned, a number of people reach out to Connex to actually get help. For some of them it's a family member, sometimes it's an individual, and Connex will keep that person on a phone line until they can connect them with the police or an ambulance, depending on the nature and severity of the crisis they're experiencing.

Mrs. Christine Elliott: Thank you.

The Chair (Mr. Norman W. Sterling): Can I ask sort of a supplementary question on this? I've been involved in terms of some of the changes to the Mental Health Act in the early 1990s; I worked with Frances Lankin, who was then the Minister of Health, in dealing with some of the changes at that time. I was a great proponent of things like the enduring power of attorney and those kinds of instruments to help people who are mentally ill. I've also represented Smiths Fall, which had Rideau Regional Centre, which either is closed or close to being closed at this time. My concern always was when, as I would put it, the ministry evicts a resident from their home of 40 years at Rideau Regional. My understanding from the Ministry of Community and Social Services was that after a short period of time, they lose all responsibility for that individual and that individual is essentially—hopefully they have parents, friends or someone in the community who cares to look out for or advocate for that particular individual. Who bears the responsibility as the guardian of these particular individuals who are on the street? Who's looking out for them? I ask this because I know in that institution they would try to track people who had left and could not find a trace of them. They still had friends in Rideau Regional, but somebody would just disappear.

Mr. Ron Sapsford: For the developmentally handicapped population, I'm not exactly sure myself of how that works. I think if there are questions, though, of competence, there is a process of law where if someone isn't competent to manage their care there are alternate mechanisms provided for them or a form of guardianship if it's restricted to financial management. But in terms of the details around the developmentally handicapped centres, I'm not exactly sure. I know that a large proportion of the populations were discharged to group homes, where there is a protected environment. But I

know certainly not all were removed from those facilities in that fashion.

The Chair (Mr. Norman W. Sterling): I don't believe the official guardian, who's under the Attorney General, either has the staff or the ability to really be looking after the individual care of people who are there. That's why I'm interested in the LHINs and putting case workers forward and that kind of thing. I would surely love to give some kind of legal responsibility or make somebody legally responsible to ensure that that person is getting proper medical care and those kinds of things, because particularly the last 100 who have been discharged are people who have complex mental and physical disabilities. That concerns me very greatly, and I still think that a lot of these people who suffer from mental illness are on the street on their own.

I think we'll probably be able to finish this by 3 o'clock for people who were kind enough to come here today. We have a few more questions. Mrs. Sandals.

1430

Mrs. Liz Sandals: Just one more question. I want to comment, first of all, on Mrs. Elliott's question about the act. While it would certainly be true that I've never had any requests from the medical community about changing the Mental Health Act, I've certainly had very strong representations from families of people with mental health issues who have been trying to access mental health services for family members, including one family of a young mom who committed suicide and another from a family—the mom was eventually murdered by the son; she had been trying to get assistance for her son.

What I wanted to ask you about was one area that I don't think we've touched on today. I'm finding that we're talking about the LHIN having the capacity to build community links, and one of the links that I see being very productive in my community is the community mental health sector working with the long-term-care sector and some formal partnerships there, with the community mental health provider going into long-term-care homes to work with the staff there on how to manage mental health issues in that older population. I wonder if what I'm seeing is a trend around the province that we are building that linkage which, while it's within the same ministry and within the same LHIN, is crossing that boundary between medical and mental health that is not always crossed.

Dr. Robert Cushman: You touch on a very important point. My simple analysis of the ALC problem is that there are two very important factors there. The real problem is supportive and affordable housing, but in terms of the people who are stuck, there seem to me to be two major criteria. One is ability to pay, and the second is dementia. Then you move over to the long-term-care sector, and what you see is that the foundation for most of the funding formula—I think it's changing, and Carrie can probably help me with this—is really for physical illness and physical disability, but what they're seeing is more and more dementia—

Mrs. Liz Sandals: That's certainly what I hear from my long-term-care operator.

Dr. Robert Cushman: —and it's very interesting, because at the age of 88, how much of a heart do you need to function and how much of your lungs do you need to function? The answer is, probably, not that much. But in terms of your brain, I suspect it's quite a lot. This is why we're seeing this dementia piece.

The long-term-care homes are not really funded for the dementia piece, which is a big problem. In terms of the skills and in terms of dealing with these folks, there are some challenges. We're very fortunate in Champlain, because we have a woman named Marie-France Rivard, a psychiatrist who is well known internationally, who has actually worked with the local psychiatric hospital to get out into the long-term-care homes and educate them about the needs of folks with dementia on top of the standard physical ailments.

Your point is right on: If that is really what the primary problem of the residents is, we've got to address the problem. What we're trying to do in our area, and what they did successfully long before I arrived but we're now trying to generalize, is to get those resources out so we can improve the skills in these long-term-care homes. For example, you've probably been in a long-term-care home where you've seen the door camouflaged with a beautiful mural of a country setting because people are always looking for a way to get out, but if they see this beautiful mural, they feel more comfortable staying in—just things like that.

To your point: This is a major issue, and we have to do a better job. There is some new funding for more nursing services in long-term-care homes and, relying on some of the resources and talents we have, I think we can do a better job in addressing this problem.

Mr. Ron Sapsford: If I could comment on the long-term-care piece: The question is on the linkage with community mental health and long-term care. I think Dr. Cushman has started the answer. I think it's more important to focus on long-term care and provide the service that's needed for that group of people than it will be to try to create an active link with community mental health agencies, partly because, yes, there are some commonalities, but the focus for our mental health system, particularly the community, is on the severely mentally compromised who are in the community. In long-term-care homes, yes, there's a need for service and for training and education. In fact, the ministry has started a number of training programs for staff in long-term-care homes related to behavioural issues. Creating the referral mechanisms with the psychiatric community to support the care in the home requires staff, training, resources and knowledge and establishing some standards around behavioural care in homes, and as well, with the new regulations that are coming under the new long-term-care act, specific standards of care and the use of measurement tools similar to what we're talking about in community mental health, so that we've got a much clearer sense of the needs for the elderly population in those facilities, and to begin to develop that expertise in the

home as opposed to trying to import it on a coordination basis from the community system.

Mrs. Liz Sandals: I think what I saw was training as opposed to treatment.

Mr. Ron Sapsford: That's been identified as a key need, yes.

Mr. Michael Barrett: I'll just add that in the South West LHIN, we have 139 people who are waiting for placement in a long-term-care home and are sitting in a hospital right now. Forty of those can't be placed because of behavioural or mental health issues. We have an example, which the deputy referred to, in one of our long-term-care homes, where it's a psychogeriatric unit. It's one wing of a long-term-care home, but they're provided with additional supports, additional funding for more staffing and access to psychiatrists and staff from the regional mental health care centre in London to ensure that those additional supports are provided within the long-term-care-home setting. That's the type of unit that will help get those 40 people out of the hospital and into a more appropriate setting where they belong.

Mrs. Liz Sandals: Thank you.

The Chair (Mr. Norman W. Sterling): France?

M^{me} France Gélinas: I don't know if anybody has a good enough memory to answer this, but we'll give it a shot and see where it goes. Not so long ago, most severely mentally ill people lived in psychiatric hospitals. Then, I fully supported the move toward community living for people with severe mental illness. Out of the psychiatric hospital and into our communities they went, with trials and tribulations at that. Was there any cost analysis as to how much it cost us before, when a client was in a psychiatric hospital, versus how much is being spent now? I understand that the value of money has shifted over the years in all of this, but do we have any data, evidence or study on that?

Mr. Ron Sapsford: Not that I'm aware of, in terms of that direct comparison. The kinds of questions that we're now trying to answer are, given the investments in community mental health—we have a more articulated community health system than we did then—as a result of that, are we using less hospital resources to care and manage people's treatment course, given that we have community health? Those are the kinds of active research questions that are in place now, and we're hopeful that understanding the answer to that question will help guide future investment into the community mental health system.

1440

But as to the question of whether chronic schizophrenic populations living in institutions are less or more costly than what it currently takes to care for them, either in homes or special care or supportive housing, I'm not aware of any formal studies. Carrie, I don't know if—

Ms. Carrie Hayward: Not from a study perspective, but we were talking earlier about supportive housing. Maybe just as a general comparison, 1,000 units of supportive housing in the rent supplement model, including case support—the case manager who helps that person

maintain that housing—costs about \$16 million. If you take that 1,000 units, or 1,000 people, and a hospital bed can be \$700 a day, that's \$7 million a day to maintain that same person in hospital. That's a very rudimentary comparison, but I think there is a strong belief, and it's been proven, that community services are a more cost-effective way to support people, and it's certainly a more normalized way for people to live, in the community with the supports.

Some people need quite a bit more support, as with the example earlier with the assertive community treatment teams, where you've got this sort of 1-to-10 ratio. Other people with mental illness may simply need a case manager, some peer support and a place to live.

It's hard to do that kind of comparison because each person's illness, and the way their illness progresses, is very different. But there's a very quick comparison for you.

M^{me} France Gélinas: Thank you.

Dr. Robert Cushman: Just on page 177 of the report, there are some figures comparing hospital to jail to community. Again, as Carrie Hayward has said, there's a differential between who these people are.

When I started my medical training, I spent some of my time at the psychiatric hospital—some of my time as a student, not as a patient—at the Hamilton Psychiatric Hospital. Just recently, I served on a board of the Foyers Partage, which, as Norm would know, is one of the community settings as a result of Rideauwood closing down. One particular member had to go to the Supreme Court because his family actually didn't support his willingness, his want, to move to the community. But just to see the difference from these large institutional settings, as you move to the community setting, it makes a lot of sense.

One of the problems we have with places like Rideauwood is that we're dealing with such a history; people have been there for so long. But if you could make that choice, sort of an A or B choice, for your child or a family member, I think you'd make it very quickly.

M^{me} France Gélinas: I have no problem supporting—I think people with severe mental illness should be in our community. They make our community richer and they certainly have a better quality of life. I've always supported it and I always will.

I was just curious to see, because while it was happening, it's certainly an argument that would pop up every now and again, that it would be a whole lot cheaper. I was just wondering if there was ever any follow-up to this. I've never found one, but you guys seem pretty knowledgeable so I thought I would ask.

The Chair (Mr. Norman W. Sterling): Could I just ask a question on that? My concern is that, notwithstanding that there have been increases in budgets for mental health, there have been some savings with regard to people who were in other settings, with regard to costs. For instance, while Rideau Regional, which I'm most aware of, wasn't under the Ministry of Health, probably the Ministry of Community and Social Services is going

to save maybe \$50 million a year because of the closure of that. It will have some additional costs in terms of the placement of those individuals, but it won't be anywhere near \$50 million out of their budget.

I guess my question is, what are the pluses and minuses in this equation so that we can ensure that what's gone to mental health has in fact been \$200 million or whatever it is? Or is it something much less than that? Perhaps the deputy could collect those figures and provide them to the committee in terms of the closure of the institutions.

I noticed that when the psychiatric hospitals were closed—pardon?

Mr. Ron Sapsford: I don't know which psychiatric—I mean, we're going back over 20 years for an outright closure, Chair.

The Chair (Mr. Norman W. Sterling): Well, we could go back—

Mr. Ron Sapsford: We've divested all of the psychiatric hospitals, but they've not been closed, nor has there been significant bed contraction. So I'm not sure what I'm going to report to you.

The Chair (Mr. Norman W. Sterling): Perhaps you could report to us what fewer costs the ministry—

Mr. Jim McCarter: I think we've said that since 1998 the ministry has divested itself of or transferred nine of 10 provincial psychiatric hospitals to public hospitals and community-based service providers.

Mr. Ron Sapsford: That's correct. But they're all currently in operation.

The Chair (Mr. Norman W. Sterling): They're currently in operation as psychiatric—

Mr. Ron Sapsford: Absolutely; every last one of them.

The Chair (Mr. Norman W. Sterling): We had one member here this morning who indicated that he wasn't certain that the money transferred to his hospital was in fact being used for mental health. Mr. Hardeman?

Mr. Ron Sapsford: Well, I'd love to hear about that.

Mr. Ernie Hardeman: I think my comment this morning was different; it was about whether a fair amount of dollars for mental health was coming into my community. When you look at the Oxford Child and Youth Centre as the only youth facility in Oxford that was providing mental health for youth and you compare that to my surrounding counties, you'll find that we're much lower than Perth is and Middlesex is. When we inquired—this is a few years ago—the answer was that we were funding a bunch of money to the Woodstock General Hospital for youth mental health, only it's not earmarked for that; it can be used anywhere within the hospital budget. So the need for mental health services is all in one place and the dollars are going somewhere else. It becomes an uneven playing field.

Mr. Ron Sapsford: Well, children's services are an additional, in a sense, complication because children's community mental health is managed through the Ministry of Children and Youth Services, not the Ministry of Health. For a number of years, though, I know for certain

as it comes to allocations of mental health dollars to general hospitals, there were always strict rules in place that the hospital had to maintain service expenditures at the level for mental health unless there was a very specific approval to do otherwise. As far as I'm aware, that general principle remains in effect.

But in cases where the ministry has divested psych hospitals, quite honestly, by and large, the budgets are adjusted upwards in divestment, not downwards. So I'm quite confident, at least on the divestment of the psychiatric hospitals side of the question, that all of them have been more than fairly funded for the service they've provided. On the general hospital side, service agreements and accountability agreements between the ministry and hospitals over the years have always specified that for any change in expenditure on the mental health portion of their global budget, specific approval was needed to reduce.

Mr. Ernie Hardeman: I think that's true, and I'm not implying that the hospital wasn't providing mental health service to the youth, except—and it comes back to my original accountability question. If your benchmarking is quite broad, shall we say, as to what you're expecting for the money you're giving, on the size of a hospital budget, it's not hard to show we're providing mental health services to the youth and find out that the waiting line there is much longer than the other place, so chances are they are not providing near as much. There's never a clawback for that money, so there's not as clear an accountability if it's being provided within a larger budget at a general hospital.

Mr. Ron Sapsford: I accept that.

Mr. Ernie Hardeman: That was really the concern I was bringing.

The question, though, as I've been sitting here—and I'm sorry I wasn't able to be here for all of it. The issue of housing and mental health: Is the provision of that a health issue? I think it was expressed here that there's a great connection between them, and not having housing being a big problem in mental health. But should the Ministry of Health be providing that? Should they be in the housing business? Should they be providing housing the same as we provide it to other people who need assistance in getting housing? How did that get put together? I really have a concern that we're putting an awful lot of dollars—when we look at a 7% increase in spending in the last five years, that's not a very high increase. But are people with mental health problems getting 7% better service, or are we providing more services and in fact the quality, the service to the individuals, is less than it used to be?

1450

Mr. Ron Sapsford: A lot of ministries are involved in housing questions. The Ministry of Health share of that is about 12,500 beds. As I said in an earlier question, many of those were inherited from other ministries, where programs were transferred through the years, many of them from municipal affairs and housing. We also operate nearly 1,000 homes with special care beds. But of

the supportive housing, those 12,500 beds, about 8,500 are occupied by people with mental health problems. So a significant part of our supportive housing stock is related to mental health patients and their support in the community.

MCSS also has domiciliary housing. Municipalities have started, in co-operation with the Ministry of Health, offsets for their homeless population, many of whom are mental health patients. I think, as we've heard from some of our service providers who are here today, that the issues of homelessness linked with mental health and the lack of housing is a huge instability to beginning the process of treatment and restabilization. So I think you've hit an issue.

I will say that the ministry is adding an additional 1,000 supportive housing beds over the next couple of years. I suspect that in the minister's work and perhaps in the select committee we may hear more advice on the issues related to housing, because it does seem to be a common theme that comes up across the piece. But to say that they're all health, I would share some of your concern about that. It's an important adjunct to make sure that people are able to get better, but I think there's room to debate whether it's operated as a health program or provided at a different level in the system. Certainly the mental health support, the clinical support that comes from community mental health agencies or hospitals for people, irrespective of what their housing is, is the important focus for the Ministry of Health. I think some agencies find that it's more an integrated approach if you can provide housing and treatment service as one package as opposed to dealing with different groups for different components. I think that's why we have, at the present day in Ontario, a mixed system of how housing needs are met.

Mr. Ernie Hardeman: First of all, I totally agree with special-care housing where we have a small hospital; we have a group of people who are being cared for in a facility or in a housing setting. I think that's part of the needs of the mental health issue. I was dealing with one not too long ago; it's just a normal house within the community. The reason I was involved had to do with the neighbour complaining about the house being there—I think we've kind of quieted him down.

The argument was that there was nothing different about that house because it's owned by the Canadian Mental Health Association. It's no different from any other person living in that community. I personally agree with that, but because it was part of the Canadian Mental Health Association, the neighbour was making an argument that it was different from just a private residence for a family to live in. The fact that they had health needs beyond the neighbour is irrelevant. It would seem to me that if that was just public housing or a supportive housing setting as opposed to a unit to provide health care, as opposed to a unit for somebody who has health care needs to live in, it would solve some of our community problems.

Mr. Ron Sapsford: As I've learned, it's very difficult to generalize about the population needing mental health

services. For some people, yes, institutionalization; for others, more of these protected environments, where you've got a group of people together. For some patients, that's not the appropriate approach. They need some form of housing with supports: living in what you've described as more generic housing but making sure they've got supports for the activities of daily living more integrated with the community as opposed to an institutional setting.

I think it's important that there isn't one answer you can apply everywhere in a consistent way. We need different components of care and different levels of housing with support in order to satisfy the needs of this particular population. I think we sometimes run the risk of saying, "If only we had more of these, we could put everybody there and the problem would end." But that isn't going to help either.

I think we've got to listen far more carefully to the needs of people. When you do that, what we hear constantly from providers is that you need a range of services, and you need to be sensitive and flexible about how you provide the care and not simply create one setting you force everybody into. I think that's our history.

Mr. Ernie Hardeman: The only reason I mentioned it is that I think what we need to do is make sure that as many people as possible live just like everybody else. They just have a health problem.

Mr. Ron Sapsford: Yes, absolutely.

Mr. Ernie Hardeman: By creating that type of housing, if it was just another rental unit, in my mind there would be less stigma attached to it.

The Chair (Mr. Norman W. Sterling): Thank you very much.

I'd like to thank you, Deputy, and I'd like to thank our special visitors from outside Toronto: Ms. Elkin; Nancy Annett, who was with her; Mr. Eliasoph, from the Central LHIN; Dr. Cushman, from Champlain LHIN; Michael Barrett, from the South West LHIN; and Marion Wright, who is the executive director of the Canadian Mental Health Association. I think your knowledge given to our committee members today will not only be used to help us write a report, but will also be helpful to the select committee, which is probably going to be embarking on a deeper study with regard to some of the matters we discussed today. Thank you very much and have a safe trip home.

The committee adjourned at 1457.

CONTENTS

Wednesday 18 February 2009

2008 Annual Report, Auditor General: Section 3.06, community mental health	P-215
Ministry of Health and Long-Term Care	
Mr. Ron Sapsford, deputy minister	
Local Health Integration Network liaison branch	
Ms. Carrie Hayward, branch director, health system accountability and performance division	
WOTCH Community Mental Health Services	
Ms. Diehl Elkin, chief executive officer	
Central Local Health Integration Network	
Mr. Hy Eliasoph, chief executive officer	
Champlain Local Health Integration Network	
Dr. Robert Cushman, chief executive officer	
South West Local Health Integration Network	
Mr. Michael Barrett, chief executive officer	
Canadian Mental Health Association, Ottawa branch	
Ms Marion Wright, executive director	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

 Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mr. Bob Delaney (Mississauga–Streetsville L)

M^{me} France Gélinas (Nickel Belt ND)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

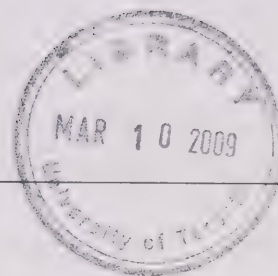
Mrs. Christine Elliott (Whitby–Oshawa PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer,
Research and Information Services



P-14

P-14

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 25 February 2009

Journal des débats (Hansard)

Mercredi 25 février 2009

Standing Committee on Public Accounts

2008 annual report,
Auditor General:
Ministry of Revenue

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :
ministère du Revenu

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 25 February 2009

Mercredi 25 février 2009

The committee met at 122 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF REVENUE

Consideration of section 3.10, gasoline, diesel fuel and tobacco tax.

The Chair (Mr. Norman W. Sterling): Welcome to the public accounts committee of the Legislature of Ontario. We're meeting in committee room 1, which is smoke-free, as well as all of the Parliament buildings of Ontario, just in case anybody was interested. I mention that because we're considering today section 3.10 of the 2008 annual report of the Auditor General, which was delivered in early December 2008. That section 3.10 was on gasoline, diesel fuel and tobacco taxes collected by the Ontario government.

We have with us today Carol Layton, deputy minister; Terry Hewak, assistant deputy minister, tax revenue division; Peter Deschamps, director, special investigations branch; Scott Nixon, director, audit inspections and programs; and Richard Gruchala, director, tax advisory services branch.

Welcome to our committee. I understand, Deputy Minister Layton, you have an opening remark.

Ms. Carol Layton: I do. Thank you, Mr. Chair. You did mention that this is a smoke-free building, but I have to admit that today we're not entirely cigarette-free in this room. For the benefit of the committee, should the opportunity arise or should there be a desire, we did bring some of the interesting product that is out there in the contraband market that we could show later on, and also describe it for the benefit of Hansard. I did want to just make a note of that.

The Chair (Mr. Norman W. Sterling): I'm sure you won't incite us so that anybody would want to light up anyway.

Ms. Carol Layton: Hopefully, that won't encourage you to do that.

Mr. Ernie Hardeman: I was just going to check if we could make a deal when we're through.

Ms. Carol Layton: No deals. No deals.

I am Carol Layton. You did introduce all of the folks, but this is Terry Hewak right here, just so you know, Peter Deschamps over there, Scott Nixon here, Richard

Gruchala on my far left; and behind, also, I'd like to acknowledge some folks on both sides from the Ministry of Revenue who are here to support this, as well as just to observe this important part of our accountability system.

I would like to thank the members of the standing committee for the opportunity to come here today. As a long-serving Ontario public servant, I am very respectful of the role that's played by our legislative officers, like our Auditor General, as well as the role of the committees of the Legislature, like this Standing Committee on Public Accounts, in ensuring accountability to the people of Ontario for the fiscal resources that are entrusted to us.

I am here to discuss section 3.10, which is the gasoline, diesel fuel and tobacco tax, of the 2008 Auditor General's report, which was released in December, and the ministry's progress in addressing the recommendations contained in the report. Before addressing the report, I will give just a very brief overview of the Ministry of Revenue.

The ministry was created in February 2007 in recognition of the significance of the tax administration function and the modernization efforts under way to provide service excellence to taxpayers and benefit recipients in Ontario. The ministry employs just over 2,400 people in 21 office locations around the province.

The ministry administers the province's major tax statutes, tax credit and benefit programs. The ministry revenues collected provide the fiscal foundation upon which many of the province's programs and services are based.

The ministry strives to operate on a fair, effective, cost-efficient and confidential tax system basis and also strives to minimize the regulatory and administrative burden to individuals and businesses. We maintain the integrity of the province's self-assessment system by encouraging voluntary compliance through taxpayer education and by conducting audits, inspections, investigations and collection activities. We also have an impartial objections review process.

In 2007-08, the ministry did process a total of 2.3 million assessments and tax returns across all of its statutes, responded to 568,000 telephone inquiries, assisted more than 67,000 walk-in clients, registered exactly 58,996 new tax clients and made personal visits to almost 7,000 vendors at their places of business to help them better understand their tax obligations.

The ministry recently completed an important project, the harmonization of Ontario's corporate tax collection and administration system with that of the Canada Revenue Agency. We call that CTAR, the corporate tax administration redesign project, which is reducing costs and improving efficiency for Ontario businesses through a single, federally administered corporate income tax system. It means one form, one tax collector, one audit process and one set of income tax rules for 2009—the current year—and subsequent tax years.

Ontario businesses will save up to \$100 million in compliance costs as a result of this harmonization. They'll also save a further \$90 million a year from the move to a harmonized corporate income tax base.

I'm now going to turn, though, to the Auditor General's recommendations, of which there were 11: seven addressing issues around tobacco and four directed towards gasoline and diesel fuel. It wasn't a recommendation, but there was also some comment at the end of the report on business process re-engineering.

First to address the tax gap: With regard to the consumption of untaxed tobacco products and forgone tobacco tax revenues, the Auditor General states that "the potential tax gap for 2007 alone could be in the \$500-million range." In our response, we explain that it is difficult to define the size of the tax gap with any degree of certainty as it is dependent upon the information and estimates used and the assumptions made in the calculation. Any level of non-compliance and the tax losses arising from illegal tobacco products are of serious concern to the ministry and the government.

To address this issue requires a combination of policy, administrative and enforcement initiatives, working with our partner ministries, the federal government, cross-border jurisdictions and the First Nations leadership. As was expressed in our formal report to this committee, this is a complex issue that does not lend itself to easy resolution. But the government is looking to find common ground and balanced solutions to address the tax gap and the broader issue of tobacco sale and consumption through a number of intersecting initiatives.

Work is well advanced in several areas and has been initiated in others. The multi-pronged, multi-ministry approach includes the comprehensive smoke-free Ontario strategy that I think this committee is well aware of; fostering new relationships with our aboriginal leaders; general enforcement at the retail level; legislative amendments to strengthen tobacco tax compliance provisions; and partnerships with law enforcement agencies to address the issue at the distribution level, and that includes our international partners.

The smoke-free Ontario strategy incorporates some of the strongest tobacco control legislation in North America. We complement that strategy through our audit and inspection efforts targeted at tobacco retailers and through our partnerships with law enforcement agencies.

In addition, measures announced in past provincial budgets have strengthened the tobacco tax compliance provisions.

Most recently, the Budget Measures and Interim Appropriation Act, which received royal assent on November 27, 2008, included a manufacturer registration requirement for purchasers and importers of cigarette-making machinery, higher penalties and more seizure provisions. For example, before these provisions were enacted, a retailer found with just one carton of illegal cigarettes would have received a penalty of \$74.10. Today, that penalty is \$574.10.

On the issue of the tobacco retailer inspection program, we believe that the physical presence of ministry staff in communities across the province, coupled with inspections of tobacco retail locations, is proving to be an effective tool in limiting the number of illegal cigarettes available to consumers through the retail network. This province-wide inspection program inspects tobacco inventories and business records of tobacco retailers. During any routine retail inspection, inspectors also provide information, including printed materials, to tobacco retailers to educate and advise them of their responsibilities related to the sale of tobacco products. Since the inception of the tobacco retail inspection program in 2006, the number of tobacco tax inspectors has nearly doubled and there now is an average of about 600 retail inspections every month.

I want to just quickly stop on one point. Page 11, the final page of the report that was submitted back on February 3—it's dated February 3—I have handed out a new page 11 and have highlighted the difference from what we submitted on February 3. It's a correction; in particular, a reconciliation. The point I made in the old one was that in the last two years, the tobacco retail inspection program assessed penalties of \$7.9 million and confiscated approximately 828,000 cigarettes. We have a further edit, and it speaks to the fact that since the inception of the program, which goes from July 2006 up to the most recent statistics, we've actually assessed penalties of \$9 million and confiscated about six million cigarettes. That's the new edit we wanted to be sure we provided to you.

In addition to our inspection activities through the tobacco retail inspection program, our inspectors also work with the Ministry of Health Promotion and municipal health units to conduct joint inspections.

In 2007, a number of legislative amendments were introduced to the Tobacco Tax Act. Significant among these were provisions which authorize the ministry to prohibit a retail location from selling, offering for sale and storing any tobacco if they are found to have repeatedly contravened the Tobacco Tax Act or sections of the Smoke-Free Ontario Act.

The implementation of this temporary prohibition program included an educational campaign to raise awareness among retailers. This included a brochure called *If You Sell Tobacco*, and I have copies available that we could hand out for the committee. That particular brochure was inserted into a magazine targeted at retailers called *Your Convenience Manager*, or YCM. The July-August 2008 issue was distributed to approximately

14,000 convenience store retailers. The brochure is available in 14 different languages in addition to French and English.

Additional outreach activities included information presented at vendor training sessions held in conjunction with our health units across the province; tax information forums—we hold several of those each year; and a trade show hosted by the Ontario Korean Businessmen's Association.

The Auditor General also commented on the effectiveness of border security. The ministry recognizes the importance of working with federal and provincial enforcement agencies to deal effectively with the importation of illegal cigarettes and other tobacco products. The special investigations branch, headed by Peter Deschamps, at my far right, recently created an intelligence unit, which will allow for a more proactive approach, greater coordination of joint projects with existing partners and better outreach capability to foster new partnership efforts on this issue.

The special investigations branch, otherwise known as SIB, regularly partners with the Cornwall-Valleyfield integrated border enforcement team—those teams are known as IBETs, and there are several of them around the province. The lead agency on IBET is the RCMP. Other participants are the Canadian Border Services Agency, municipal police services, provincial government agencies and United States agencies. This year to date, the special investigations branch has participated in 11 joint operations, four with the integrated border enforcement team agencies in the Cornwall area alone.

Regarding the tobacco allocation system on First Nations reserves, Ontario protects the right of First Nations people to buy untaxed cigarettes on-reserve for their personal consumption. This is accomplished by authorizing a sufficient quantity of untaxed cigarettes to be made available by registered wholesalers for delivery to authorized on-reserve retailers. These cigarettes are intended for sale only to First Nations individuals in accordance with section 87 of the federal Indian Act.

1240

There is a need to continue to work with First Nations leaders to ensure that the tobacco allocation system is respected. We recognize that there are limitations to the province's ability to enforce provincial tobacco tax laws on First Nations reserves. Recent amendments to the Tobacco Tax Act permit the exchange of information with other governments and municipalities and their agencies, boards and commissions where the information is used in the enforcement of legislation relating to or regulating the manufacture, distribution, export, import, storage, sale or advertisement for sale of tobacco. This will help facilitate greater coordination and effectiveness among the levels of government.

The Auditor General recommended that an allocation system for cigars be developed, similar to that for cigarettes. The ministry is reviewing options and is doing so in the context of the government's focus on fostering its new relationship with aboriginal communities, and implementation would require regulatory change.

The Auditor General recommended that options be assessed to ensure that all cigarettes manufactured and packaged for taxable consumption in Ontario are accounted for and the applicable tax paid. Among amendments adopted in 2004 to the Tobacco Tax Act and its regulations were enhanced registration and reporting requirements for cigarette manufacturers and for manufacturers of tear tape. The ministry has registered three tear tape manufacturers and receives from them monthly production and sales information about yellow tear tape material. We are examining the ability to reconcile this information with the number of packages of cigarettes manufactured on which tear tape has been affixed. The reconciliation of tear tape purchase and use will be done during audits on cigarette manufacturers commencing in fiscal 2009-10, which is just around the corner.

The Ministry of Revenue agrees with the Auditor General's recommendations regarding tobacco, gasoline, diesel and tax return processing. His recommendations relate to ensuring that all returns and relevant schedules are received and assessed for completeness and accuracy, and there is follow-up to questionable items.

Since the 2001 Auditor General report, the ministry has enhanced registration and reporting requirements for manufacturers and introduced regulation and reporting requirements for transporters of tobacco products, as well as refiners and transporters of fuel and gasoline products. We have reviewed filing procedures and staff access to file storage areas to ensure that hard copies of returns are retained as required. In addition, manual checklists and procedures for cross-checking returns and confirming receipt of required schedules and information have been developed. Where necessary, our employees follow up with the registrant to obtain the missing schedules information.

Also, the ministry has acquired a commercial off-the-shelf system as the base product for its new multi-statute single tax administration system, Ontario's Tax Services, otherwise known as ONT-TAXS. Once we have transitioned commodity taxes from our current STARPAC legacy system to ONT-TAXS, this new system will ensure that all information from the tobacco tax returns/schedules is captured and retained, the reported information is assessed for completeness, any incomplete or missing documents are identified, and follow-up correspondence and exception reports are generated for investigation by staff as required. The development work is underway now and the ministry's planned implementation for tobacco, gasoline and diesel tax returns onto the ONT-TAXS system is the fall of 2009.

With respect to the recommendations regarding ensuring that gasoline tax refunds are only issued for eligible gasoline purchases, namely for on-reserve gasoline retailers' sales to First Nations consumers, in September 2008 the ministry began phasing in an electronic filing system. This electronic refund system presents a great advantage by moving from a manual processing system to an automated one and will enhance our ability to validate claims and identify questionable ones. It will also mean

that gasoline retailers who use the electronic process receive their refunds in a matter of days, as distinct from weeks right now.

Through a continuing partnership with Indian and Northern Affairs Canada, otherwise known as INAC, the processing of gasoline tax exemptions would be further enhanced with INAC's move to modernize the status Indian identification card. When the federal government is ready to launch its new card, the Ministry of Revenue will be able to partner with them to further streamline the provision of statutory refunds to First Nations retailers.

The Auditor General made recommendations regarding the ministry's audit coverage for the gasoline, diesel and tobacco tax programs. A risk-based audit selection system is being utilized. Risk profiles for motor fuels and tobacco tax accounts have been defined to support audit selection. The ministry's tax compliance branch created a training unit to support ongoing improvement. Training for all audit staff has been held. As well, each audit file includes a management involvement form that documents all the discussions and decisions between the auditor and the audit manager.

Regarding the diesel inspection program, work plans are reviewed on an ongoing basis as fuel prices fluctuate and risks therefore increase or decrease. For example, this fiscal year, the frequency of inspections of terminal and bulk plants has been reduced in recognition of the level of tax compliance in this area. Emphasis has shifted to coloured-fuel checks of vehicles, large consumers of diesel fuel and wholesalers because of the risk factors in these areas which have increased with the rise in the price of fuel.

Finally, I'd like to comment on the business process re-engineering item at the end of the Auditor General's report. Our ministry is currently improving our business processes through what we call MOST, which stands for the modernizing Ontario's system for tax administration project. This was launched in 2004 and was mandated to replace more than 65 older tax administration systems with one integrated tax system, ONT-TAXS, which I mentioned earlier. This system will provide service enhancements for Ontario's tax clients, including online tax services.

After intensive consultation and research and a competitive RFP process, the ministry acquired a commercial off-the-shelf product, which I mentioned earlier, which has proven successful in two other Canadian provinces and in 16 US jurisdictions. This solution has incorporated best practices from these previous implementations.

With this new solution in hand, the Ministry of Revenue has taken a measured approach to phasing in online tax administration services for Ontario businesses between 2008 and 2010. Before the system goes live for all businesses and tax types, we are doing all we can to test the system and make sure that all appropriate safeguards are in place and to tailor the system to meet the needs of Ontario's clients.

This past summer, we introduced ONT-TAXS online to a small volunteer group of retail sales tax clients. In

December 2008, we broadened the online services to all retail sales tax and employer health tax clients and introduced new online functions which allow tax clients to authorize their employees or tax representatives to conduct business with the ministry on their behalf. Later this year, ONT-TAXS online will be available to gasoline, diesel fuel and tobacco tax clients.

To ensure we got it right when we were developing ONT-TAXS, we set up an advisory group to provide us with feedback and suggestions on the types of services and tools that would best meet client needs. We will continue to rely on the advice of the business community as we move forward. Their input is essential as we continue to strive to have a tax administration system that is efficient, fair and flexible, supports compliance and reduces the burden on business.

As I conclude my remarks, on behalf of the Ministry of Revenue, I'd like to thank the Auditor General for his thorough audit and for his very instructive recommendations. I, along with my colleagues, would now be pleased to take any questions from the members of the committee.

The Chair (Mr. Norman W. Sterling): Thank you very much, Deputy.

Mr. Hardeman.

Mr. Ernie Hardeman: Right at the start, how closely the Ministry of Revenue is tied to the tobacco control smoke-free Ontario legislation—how does that fit in with the mandate of the Minister of Revenue?

Ms. Carol Layton: The way I see it is that they're complementary. Smoke-free Ontario is about encouraging our youth to stop smoking; it's about banning smoking in, as you know, workplaces and public places; and recent amendments around even smoking with young children in cars. That's about encouraging the population of people to just not smoke.

At the Ministry of Revenue, our mandate is to ensure that the tax laws that we have are complied with. The bottom line there right now is that we still have, certainly, people out there smoking. We do have, as we know, an active market for contraband cigarettes in particular, and we're working to address the cigarettes that are out there on the contraband market.

We want the legal network to operate properly and the retailers to certainly abide by the laws, sell and make sure that things like the power walls are properly respected. When we do send tobacco retail inspectors in, we often do go in with the municipal health inspectors as well because there's complementary work that we're looking at in that regard, in particular, selling to minors and that sort of thing.

I think the key thing here is that the legitimate selling of tobacco and compliance with tobacco tax is certainly within the mandate of the ministry, but at the end of the day, smoke-free Ontario is about trying to certainly encourage a population of people to not smoke.

1250

Mr. Ernie Hardeman: I would hope that all ministries of the government work together to do the job. As I

read the recommendations from the Auditor General, the biggest concern in what we're reviewing now is our inability to collect taxes from everyone fairly. That's why I wondered about the smoke-free Ontario, because it seems to me, while we have people working to make sure the power walls are proper, that they're not selling cigarettes to minors and all those things, that's not likely the area where we have the greatest risk of illegal cigarettes they didn't pay any taxes on being sold. So if our resources are going there, is that the most cost-effective way of doing the job of the Ministry of Revenue?

Ms. Carol Layton: The smoke-free Ontario resources, I think, first of all, are well-spent resources in that regard. We want to get at the youth, we want to get at all those issues. The Ministry of Revenue's resources: Because we are not a ministry that is divvied up by statute but we can work across all statutes, between auditors, inspectors, investigators, educators out there with our clients, I think we feel that we do have an organizational structure and an alignment of our business lines to support the overall priorities. We certainly strive overall to encourage tax compliance. We certainly strive overall to also, though, work in a manner that ensures that we have a competitive business environment, looking at the regulatory burden that is out there, looking at the many different pieces of legislation and the scope to bring in simpler language.

I think all in, we would suggest to you that the resources are fairly well aligned for the priorities. We do have a focus, certainly, on the tobacco retail inspection program, the fact that the retail chain is the largest network, in a sense, out there. Through the resources that we've had and the increase in the inspectors we have out there, we have been able to see a 50% reduction in the amount of cigarettes that are contraband that are being sold through the stores, and that's a significant achievement.

Mr. Ernie Hardeman: If I had any power on this committee and I said, "I get to do one thing that will make the ministry more effective"—and why we're there is to collect everybody's taxes—what would we do that would make your job easier and more effective?

Ms. Carol Layton: Coming from you, or from anybody? What I would say is making our job easiest and most effective is the fact that we are indeed one ministry working among several ministries on a defined set of priorities. We know that when it comes to, for example, tobacco—in particular contraband tobacco, because I think that's where you're focused right now—tax administrators can't do it alone.

We have to rely, certainly, on the role of Brad Duguid and his ministry in fostering great relations with our aboriginal leaders. That's critical; the First Nations leadership is going to be critical in this issue. We have to rely on the work of the Ministry of Health Promotion and the smoke-free Ontario strategy. We have to rely on the work of our Ministry of Finance through the tax policies that they design and write which we then administer, and the tax legislation also that they design and write. And we

certainly have to look to our partners: the province of Quebec, which has as big a problem as Ontario; the federal government; as well as, certainly, our other border entities like the state of New York as well as the US government. Peter's people work very closely with the RCMP and the Canadian Border Services Agency.

I guess the point that I'd make is that it's multi-jurisdictional, multi-partner that is going to address the sort of issues that we have to address here.

Mr. Ernie Hardeman: I don't want you to take it that I'm critical or that you shouldn't be doing it; I'm just trying to get a handle on what it is that needs to be done. Is the answer more technology? I'm more interested in that \$500 million that's still out there somewhere that we're not getting. Is it more technology? Is it more people? What's required to—

Ms. Carol Layton: Successive budgets in 2004—not 2005—2006, 2007 and 2008 all gave us greater enforcement tools, higher fines, sentencing provisions, better scope to share information across jurisdictions and definitely more resources—the tobacco retail inspection program came in, in July 2006, just a few months after the smoke-free Ontario strategy came in. So, as a ministry, I think we are feeling fairly well resourced in that regard, and I think we're very fortunate in having the opportunity to retire 65 legacy systems soon, because of this wonderful ONT-TAXS system, a multi-year system that has already got, as I said, the retail sales tax and employer health tax on, and we're bringing in gasoline, fuel and tobacco, and the wonderful functionality of that system across all statutes that's going to give us a lot of online capability imaging as well as online processing. So stuff comes in that way, and there's the ability to do an awful lot more dissecting of information and working across it.

We're delivering that system on time and on budget, which itself is a good achievement, given other IT systems. So we're feeling very fortunate that the resources were there in the fiscal plan for us to put the ONT-TAXS system in, and we will have it pretty well all in by March 2010. I think there's going to be a much better opportunity for the ministry to be able to assess and analyze and to slice and dice and be able, therefore, on a risk basis, to direct its resources wherever they're best needed.

The Chair (Mr. Norman W. Sterling): Any questions?

Mr. Jerry J. Ouellette: How many locations would retail cigarettes in the province of Ontario?

Ms. Carol Layton: How many actual retailers, Scott?

Mr. Scott Nixon: The number of retail outlets will vary a little bit. If you think in terms of convenience stores and tobacco stores, there are approximately 15,000 to 20,000. It can go up to the 20,000 range because there are other areas that do sell cigarettes, such as bowling alleys.

Mr. Jerry J. Ouellette: You mentioned 600 daily inspections—

Ms. Carol Layton: Six hundred a month.

Mr. Jerry J. Ouellette: Six hundred a month. How long would it take to inspect that number of locations?

Mr. Scott Nixon: With the resources that were included in the 2008 budget, we anticipate that we'll be able to hit most of the retail outlets once per year.

Mr. Jerry J. Ouellette: When an infraction takes place—I know when there's an illegal alcohol transaction, the inspectors come in—what is the penalty for it?

Mr. Scott Nixon: If we look at the tobacco retail inspection program, if contraband tobacco is found, the amount of tax assessed as a penalty will be equal to three to eight times the value of the tobacco tax, and that will vary with the number of occurrences and the amount of tobacco found. As Deputy Minister Layton said, in the 2008 budget, the three times the tax has been supplemented by minimum penalties. So on a first occurrence, one carton would be approximately a \$75 penalty prior to the current minimum; it's now \$570. On a second occurrence, the minimum penalty is \$2,500; on a third occurrence, \$5,000.

Mr. Jerry J. Ouellette: And there's no downtime? The stores aren't closed at all?

Mr. Scott Nixon: If subsequent inspections actually do indicate there is a pattern and recurrence, we do have the ability under the act to prohibit the sale of tobacco completely for a period of up to 30 days. We would do that in conjunction with the Tobacco Tax Act legislation and also recognizing the smoke-free Ontario infraction that can be, again, working in partnership where we recognize the smoke-free Ontario legislation to count the number of occurrences toward prohibition.

Mr. Jerry J. Ouellette: How many times has it occurred that you've actually implemented that?

Mr. Scott Nixon: It being a fairly new provision, we have actually done our first prohibition notice.

Mr. Jerry J. Ouellette: So in an annual—

Mr. Scott Nixon: We've done one at this point.

Ms. Carol Layton: Mr. Ouellette, if I could just make one comment on the point Scott made that the provision in the recent budget allows us to basically visit each store once a year, I guess the point I'd make is that we don't pick up the telephone and let them know we're coming. Based on the intelligence of the inspecting community, our inspectors out there in communities around the province determine the schedule as well. So they have some discretion in that regard as well.

1300

Mr. Jerry J. Ouellette: Is there joint training between other forces to assist you? For example, in the event of a convenience store robbery, a police department locally or the Durham Regional Police would be called in to do a review of that. Would they have any training information to be able to identify contraband material in their store?

Mr. Scott Nixon: We do work with other agencies to help our inspection staff be able to identify contraband tobacco. They're trained in the marking and the printing, things like that. Again, working in conjunction with our special investigations branch and with the policing authorities, there could be some back and forth and sharing of information that would lead to assessments.

Mr. Jerry J. Ouellette: It was mentioned earlier on that there were a number of locations that had been identified throughout the province as producing cigarettes that were sold as contraband. Currently, the province maintains controls of slot machines through a licensing provision. Is there some similar provision that could be utilized for the production of cigarettes, so that the province could maintain control of production wherever it takes place throughout the province?

Ms. Carol Layton: We do have a licensing provision for cigarette manufacturers, wholesalers, the whole scope of that. Maybe I'll turn to Richard to take you through that.

Mr. Richard Gruchala: We do have provisions for registration. So, as manufacturers, there is a legal requirement to register. I think we have 15 registered manufacturers in the province of Ontario. There are also provisions for transporters of tobacco products. There are provisions for importers, exporters, for wholesalers, for markers. So a regime is in place for registration requirements for all of those entities.

Mr. Jerry J. Ouellette: It's a licensing provision, though. Correct?

Mr. Richard Gruchala: It's a registration.

Mr. Jerry J. Ouellette: Is there a difference between registration and licensing?

Mr. Richard Gruchala: Perhaps not in the vernacular, but I just use the word "registration"—

Mr. Jerry J. Ouellette: I'm thinking along the line of slot machines. There has been constant mention of the First Nations community's difficulties and then having control on First Nations. My understanding is that the province controlled the rights to slot machines in First Nations casinos, because they own the rights to slot machines. Is the same provision available in such a fashion for manufacturers?

Mr. Richard Gruchala: We have a provision in the 2008 fall bill that requires registration for importers and those possessing manufacturing equipment. There's a series of penalties and sanctions that go along if that registration is not provided. There are also seizure and forfeiture provisions in there. So we have strengthened the requirements for cigarette-making machinery.

Mr. Jerry J. Ouellette: We're constantly talking about the problem with taxation loss. It's the key focus when we're discussing the issue at all. If there were no taxes lost on cigarettes, I don't think they would be discussing the issue at all.

Is it possible for—looking outside the box—another form of taxation to be used for cigarettes, as opposed to end-user, to production and sale of tobacco at that time? Obviously, it would take a multi-jurisdictional push to make that an effective way to control contraband cigarettes—so at the sale time of tobacco and at the production level, as opposed to the retail level. Would that be potentially another way of controlling or a better way of controlling production or contraband activities?

Ms. Carol Layton: First of all, any sort of tobacco tax policy change, of course, is the domain of our colleague

ministry, the Ministry of Finance. But I think it's fair to say that the lion's share of contraband tobacco that comes into the province of Ontario comes in from the United States. It's not produced in the province of Ontario. So I think, certainly, our best focus—and then likewise, in talking with my colleague in the province of Quebec—is to try to get at the source of the problem, working with multi-jurisdictional, as opposed to thinking through a totally different tobacco taxing regime.

Mr. Jerry J. Ouellette: The United States, we were informed earlier, was moving forward with a new program that's essentially completely funded on tobacco tax. With that coming forward, there is an expectation of greater contraband sales in the United States as well. I think that discussions with other jurisdictions about other ways to deal with this would go a long way to help their problems as they move forward into Canada as well, because it's only going to get worse in other locations.

Lastly, in your statements you mentioned the First Nations retailers. There has been a strong movement in a number of different areas with the Metis associations. Are you anticipating any changes with the demands from the Metis organizations?

Ms. Carol Layton: I'd have to speak to the Ministry of Aboriginal Affairs to get a better appreciation of that sort of thing, because right now, for example, the allocation system is for First Nations. The actual exemption of tobacco tax is for the First Nations population. It's not for the Metis population or the Inuit population, which make up the full scope of the aboriginal population in the province. In terms of any specific policy work that relates to how the Metis fit into all of this, I would have to defer, certainly, to our colleagues at the Ministry of Aboriginal Affairs on that.

Mr. Jerry J. Ouellette: That's all from me. Thank you.

Ms. Carol Layton: Thank you.

The Chair (Mr. Norman W. Sterling): Can I just get a clarification on some of the answers that were given there? You have 600 inspections per month; I multiply that out to be 7,200 stores. You said there were 20,000 outlets. How do you match 7,000 to 20,000?

Mr. Scott Nixon: Effective January 2009, the resources were increased, so there is an additional group of inspectors that will be out on the road during the next period. The numbers will go up from 600.

The Chair (Mr. Norman W. Sterling): And in the material the deputy gave us, you indicated that there were penalties of \$9 million—

Ms. Carol Layton: Assessments, yes.

The Chair (Mr. Norman W. Sterling): How much of that has been collected?

Ms. Carol Layton: We can just double-check that by looking that up.

Mr. Scott Nixon: At the time we raised the assessment, approximately 40% were paid right away. That equates, from the inception of the program, to about \$2.1 million of the \$9 million assessed. The outstanding amounts are turned over to our collections branch and

they've collected another \$2.2 million of that. So we have actually collected over half of the amounts assessed. It is still a relatively new program and the amounts remain on our accounts receivable.

The Chair (Mr. Norman W. Sterling): That's \$4.5 million you've collected over how many years?

Mr. Scott Nixon: Since July 2006, so two and a half.

The Chair (Mr. Norman W. Sterling): So it's about \$2 million a year you're collecting. How much of the problem of the sale of contraband cigarettes do you think is in the existing retailers and how much of the sale do you think is occurring outside of the retailers?

Mr. Scott Nixon: When the program started in July 2006, we did notice a higher occurrence of the finding of contraband tobacco in a retail outlet. As the program has progressed and people have become aware and have been educated through our inspection program, we have noticed that the instance of finding contraband tobacco is now down to about 50% of the original amount. So we are finding smaller amounts and a higher level of overall compliance in the retailer community, but you're correct: We do have to watch where those networks may move to next.

The Chair (Mr. Norman W. Sterling): But you haven't answered my question. How much is being sold outside of retail? Do you have any estimates of that at all?

Mr. Scott Nixon: Quantities, no; again, it's an underground economy. We don't really have a number on that.

The Chair (Mr. Norman W. Sterling): So from the figures in the auditor's report, it indicates you're going to have 58 inspectors, January 1, going forward, and that you're going to be able to get into every retail store there. Your past history has been that you collected \$2.5 million a year. How much are the 58 inspectors going to cost?

Mr. Scott Nixon: Tracking our current history, assuming that the amounts assessed will remain approximately the same during the sample period—because, as I said, we have seen a decrease—we've looked at it and it's approximately a \$2.25 return on every dollar we spend on the program.

The Chair (Mr. Norman W. Sterling): I would have thought 58 inspectors might have cost you, with all costs in, \$75,000 a year per inspector. And if you have 58 of them, you're probably at \$4 million? I'm just sort of calculating here roughly.

Mr. Scott Nixon: Yes, and we're looking at—

The Chair (Mr. Norman W. Sterling): And the \$2.5 million is probably higher than what you're going to get going forward because, as you say, there's been a reduction. So how do you get a higher collection—

Mr. Scott Nixon: The amount we will assess will be slightly higher than the amount collected because, as I mentioned, some will be paid right away; some will fall into our collection process and will be followed up and collected. So when we look at the gross amount assessed—when we look at the return on investment, it's on the amount assessed.

The Chair (Mr. Norman W. Sterling): So you're not doing it on real money that we're receiving? In other words, we're losing money on this? The taxpayers are losing money on this?

Mr. Scott Nixon: I wouldn't say we're losing money. Part of the value of the program is the awareness of the program and being out in the marketplace to discourage the sale through the retail outlets. So there is a cost of having that business out there, but we are, again, assessing amounts that we do anticipate the province will follow through on for collection or potential writeoff.

1310

The Chair (Mr. Norman W. Sterling): Okay. Questions? Mr. Marchese.

Mr. Rosario Marchese: Ms. Layton, I want to start off with a general question because the Auditor General has done a review of these things as of 2001. So in 2008, it reveals that we have ongoing problems. I don't know who has been there the longest, but from 2001 until 2004, did we make good progress?

Ms. Carol Layton: Certainly, yes—I wasn't there, but I could look to my colleagues—I think there was some good progress, reading the Hansards from back in 2004 when Colin Andersen represented this ministry. It talked then about some improvements, different process improvements, audit improvements as well, but it was the 2004 budget and budgets onward that have certainly provided significantly more resources to help support that.

Mr. Rosario Marchese: I get the impression, when you look at the auditor's report of 2008, that the progress wasn't that great. Given that you say in 2004 there were additional resources, and then again in 2006, you would think, given the additional resources and all the improvements we had made from 2001 to 2004, that the auditor's report would not be as critical of what you've been doing in the ministry. How do we explain that? We made improvements. We got more resources. We still have criticism. How does it work?

Ms. Carol Layton: Just on that, and others can jump in as well, we have made improvements. We've re-oriented the ministry, first of all, to work across all the different statutes. So we're not-statute specific. It was in 2004 and 2005 that we started to improve the technology system, the new ONT-TAXS system, which began and is going to be fully completed by 2010. We have seen inspectors coming into the process. We have seen the special investigations process becoming more and more enhanced.

An interesting point that the Chair was trying to also get at is that through the tobacco retail inspection program, as a sort of year-to-date, we comment on the fact that about six million cigarettes have been seized. But through the special investigations work, which is the work that we do with our colleague agencies—the RCMP, the Canadian Border Services and the OPP—something like, in 2007-08 alone, 25 million cigarettes were seized. The point that I would make there is that there are many aspects to the work we are doing. It is about audit, it is about inspections, it is about investi-

gations, it is about education and it is about system functionality.

Mr. Rosario Marchese: I understand. I want to start with the tax gap argument. I recognize you understand it's serious. People use different assumptions, and it's hard to really pin down a number. But even if it wasn't \$500 million, let's say it was \$300 million, it's still a big number, and of course you take it seriously; we all do. There are a number of things you say you are doing that require a combination of policy, administrative enforcement initiatives, working with our partner ministries, the federal government, cross-border jurisdictions and First Nations. Then you go on to talk about the multi-pronged, multi-ministry approach, which I'm not sure is part of the things I just read out or different. There you say this approach includes a comprehensive smoke-free Ontario strategy. So this is part of the solution towards dealing with the tax gap?

Ms. Carol Layton: No. What I wanted to make a point on there was that that strategy, which came out in 2006, first and foremost, in reducing consumption is reducing demand, and especially getting at the youth out there in particular, if there is also a supply of cheap cigarettes available for them.

Mr. Rosario Marchese: Fostering new relationships with the province's aboriginal leaders: There was an old relationship and there's a new one now?

Ms. Carol Layton: I think it's fair to say that there are certainly efforts out there to renew them. I've been on to certain reserves, and most deputies, within their mandate, are developing their relationships with the different First Nations leaders, as well as other leaders, for the different programs that they have. So I think it is important to really make headway here—

Mr. Rosario Marchese: Of course. I agree. I'm just curious about the word "new," which suggests that whatever old relationship was there was bad and now we've created a new one. I was interested in knowing what kind of new—

Ms. Carol Layton: It's an evolving relationship, I think it's fair to say.

Mr. Rosario Marchese: Then you say there's a general enforcement at the retail level, which you've been doing for quite some time.

Ms. Carol Layton: Since 2006, yes.

Mr. Rosario Marchese: The auditor was talking about making sure that we also look at the point of manufacture, including importation of untaxed cigarettes and whether or not we have the right balance in terms of going to retail, which you want to do and we all want to do, versus the point of manufacture. Could you explain—you or others—where that balance is or how much you're spending by way of inspectors at the retail level versus the point of manufacture and importation of illegal—

Ms. Carol Layton: I think Scott has explained certainly what we're spending in terms of inspectors. Because we have the registration system that we're talking about, we do have—and I can't cite exactly the figures, unless you're able to, Richard—a fairly rigorous

regime in terms of making sure that the manufacturers, wholesalers, transporters and importers all come into the ministry and they are properly registered for the certain service or business that they want to be in.

Mr. Rosario Marchese: But just specifically for me, because I have found the comment by the auditor very useful in terms of how much inspection we do at the point of manufacture: You're almost able to pinpoint how many we send at the retail level, but can we pinpoint the number of inspectors that we send to the point of manufacture? Do we have such a number? Does it exist? Do we know?

Mr. Scott Nixon: From a manufacturing point of view, audit resources would actually be a federal resource from the excise point of view. So from an inspection point of view, anything we do at a manufacturing location will be fairly limited because, again, the liability may not occur at that point. In the case of most manufacturers, they're not selling directly. They're selling product to a wholesaler who is actually our tax collector. We would do some inspection work, but not to the same degree, and again there's a limited number of manufacturing sites in Ontario.

Mr. Rosario Marchese: Okay. The new Ontario tax system presumably is solving a lot of the questions the auditor has raised. Is it solving those questions?

Ms. Carol Layton: Certainly it's going to go a far way to give us all the functionality that we need to be able to assess on a risk basis and also to be able to just have a better appreciation of the activity that's going on there through the returns that we receive and the analysis that we're able to provide.

Mr. Rosario Marchese: Okay. One of the comments in our research says this system has now been tested and implemented. It is being implemented but it's phased in; is that correct?

Ms. Carol Layton: That's right.

Mr. Rosario Marchese: We're phasing it in because we don't have the resources or we're testing it as we go? Why aren't we doing it—

Ms. Carol Layton: All at once?

Mr. Rosario Marchese: —all at once?

Ms. Carol Layton: It is a commercial off-the-shelf system. It is a system, as I said, that's used in a number of other jurisdictions, and we're learning from them. In fact, we're even mentoring a country now because they're now looking at Ontario in terms of this particular system.

When you bring in a system, you have to change your processes. You've got to train staff. You've got to think about the actual functionality that you want. So we started with the retail sales tax, which is the largest of the provincial taxes at about \$17 billion. We also have the employer health tax, which was an easy one to bring in as well, and we are now moving and working through, with all the different experts we have in the different branches, the gasoline tax, as well as the diesel and the tobacco tax. You just don't plop it in and turn the switch.

Mr. Rosario Marchese: I hear you. I understand.

On the cigar taxes, you say, "The Auditor General recommended that an allocation system for cigars be developed, similar to that for cigarettes." You're reviewing your options and you're "doing so in the context of the government's focus on fostering its new relationship with aboriginal communities. Implementation would require a regulatory change."

Ms. Carol Layton: Right.

Mr. Rosario Marchese: Now, you say it would require a regulatory change as if somehow—

Ms. Carol Layton: That's not an impediment. No, I wasn't saying it that way.

Mr. Rosario Marchese: I wanted to be clear, because a regulation change doesn't require a bill. It just says you, the ministry, have the power to do this with your minister and you can.

Now, you're in agreement with this, I'm assuming, with the suggestion made by the auditor?

Ms. Carol Layton: With the need to look at the options as to what that cigar allocation system would be? Absolutely.

Mr. Rosario Marchese: Looking at the options. Now, the auditor says we should be doing it and you're saying we should look at the options. What are the options?

Ms. Carol Layton: I would look to the other folks to determine exactly what it's going to be, but we would look certainly to the format of the cigarette allocation system right now, which is very much a formula-based system, and assess it to see whether it's exactly the sort of format for cigars as well. The type of people who smoke cigars are a little bit different, I think, than the folks who smoke cigarettes, so we just want to be sure—

Mr. Rosario Marchese: I think that's true.

Ms. Carol Layton: Not being a smoker, I do get the sense of that. So I think we just want to be sure what are all the different options, what's the right timing for it, given the work that we're doing, and, quite frankly, the political sensitivities that we have with our aboriginal leaders.

1320

Mr. Rosario Marchese: I should say, I smoke cigars from time to time, and I hate cigarettes. So it's interesting. We are different animals; it's quite true.

How long do you—

The Chair (Mr. Norman W. Sterling): Can I ask a supplementary, Mr. Marchese? Given that every other province has this, save the two territories, when is this going to be done?

Mr. Rosario Marchese: That's the question I was going to ask.

The Chair (Mr. Norman W. Sterling): I'm sorry.

Mr. Rosario Marchese: But that's okay, Mr. Chairman. You have a perfect right to involve yourself.

When, do you think?

Ms. Carol Layton: I would have to look to the Minister of Revenue to get some advice and some leadership in terms of when we're going to do that. We need to put the right series of options before him as well.

Right now, can I say that we're going to have a cigar allocation system by this time next year? I'm just not sure.

Mr. Rosario Marchese: For some reason, my impression is that it wouldn't be too complicated, yet you're making it appear to me that it is complicated. I'm trying to absorb why, and I still don't get it.

Ms. Carol Layton: One thing I would comment on is that, right now, where we're putting an awful lot of emphasis and certainly where I'm putting a lot of my time as a deputy minister is on the contraband tobacco issue. We're working with colleagues in other provinces, other jurisdictions, and working with some of the key First Nations leaders as well. It's a question of where you put your time and attention and where the risk is. I think the contraband tobacco situation is a pressing problem, relative to the cigar allocation system.

Mr. Rosario Marchese: Okay, Mr. Chair. I don't mind us going around again.

The Chair (Mr. Norman W. Sterling): Perhaps you could consult with your minister, and if there's any additional information, you would write us and give us that.

Ms. Carol Layton: Sure.

Mr. Rosario Marchese: That would be helpful.

The Chair (Mr. Norman W. Sterling): Yes, go ahead.

Mr. Yasir Naqvi: Thank you, Deputy and everyone else from your staff, for your time in talking about a very complex problem, which is quite multi-jurisdictional and international in scope.

We've been talking about the tobacco retail inspection program and the resources needed. Can you or Scott perhaps describe to us how a retail audit is conducted?

Mr. Scott Nixon: Certainly. The inspection itself, again, is on a retail business location. It's done on an unannounced basis, so the retailer is not aware when we arrive. Our inspector is uniformed for recognition. We try to be as unobtrusive as possible while we're there and not be disruptive to the business, but the inspector will be there looking for contraband cigarettes offered for sale on the retail premise site. They're often accompanied by an audit staff member to work and look at the books and records. This is usually done if there's an indication found that there were insufficient records to support the tobacco products that are on the shelves. To show that their Ontario tobacco tax has been paid on the product, we'll do a reconciliation of the records. So it's twofold: We're there, basically, to ensure that the contraband tobacco is not available for sale, and also to help educate the retailer as to the requirements.

We talked earlier about if contraband tobacco is found; we will raise an assessment. We'll look at the quantity of contraband found at the site, as well as the number of occurrences, and make a determination on the assessed value for the penalty on the contraband tobacco, perhaps potentially leading to a prohibition for the sale of tobacco.

The retailer is provided with what we call a preliminary assessment or penalty assessment, based on our find-

ings. That's given to them in writing on the spot. They have the opportunity, for a 30-day period, to provide any further information. Perhaps the penalty or the assessment was raised for the lack of invoices. We allow a 30-day period for the retailer to provide that information, and we'll adjust the final assessment. The final assessment is subject to the standard objection and appeal process that's under the Tobacco Tax Act.

Mr. Yasir Naqvi: We've talked a lot, Deputy, about the enforcement measures which are going on right now. Are there any proposals or ideas for new regulatory enforcement measures within Ontario to deal with the contraband tobacco issue?

Ms. Carol Layton: There's always scope for more, and there are lots of ideas out there in terms of whether it is more resources that you put into it, whether it is greater tools that you give to inspectors. I think there is great promise, for example, in working with the province of Quebec in terms of addressing contraband there and great promise, actually, in working in particular with the part of the province where I think the lion's share of the contraband tobacco comes through, and that is the area around Cornwall. The work with Peter Deschamps and his team, the fact that they've been involved in at least four different joint efforts with the integrated border enforcement team in the Valleyfield-Cornwall area, is important work. But I think that the solution is not just enforcement. It also has to be education and working with our First Nations leadership in addressing the issues that they see on why there is an involvement of some of their folks in this particular industry.

I think the out-of-the-box thinking is something that we certainly also have to consider, but at the end of the day, always linking it back to Smoke-Free Ontario, the less people smoke, the less you're going to have a problem. If demand goes down, so does supply.

Mr. Yasir Naqvi: What about actions and measures being taken by CRA, for example? Are they bringing some new regimes to strengthen enforcement?

Ms. Carol Layton: Yes. There's one that Terry can speak to, sure.

Mr. Terry Hewak: Actually, there is one particular aspect that the federal government—the CRA, the Canada Revenue Agency—is developing. It's been in the works since about 2005. It's essentially a proposal that rather than the current tear strip—there's a yellow tear strip that goes around cigarettes right now to denote that the taxes have been paid and it's a legal cigarette. What the CRA is proposing or has been working on is a stamping regime that would be very similar to a postage stamp. It would have very specific security features including some overt and some covert security features.

The whole idea of the stamp would certainly help better identify fully tax-paid cigarettes versus illegal, potentially counterfeit cigarettes. They're hoping to get it all in place and possibly start rolling it out sometime next year, but it's still very much at the consultation stage and various options are being developed; and whether the other provinces are willing to participate.

What we're hearing informally is that it probably will be a little more expensive than the yellow tear tape, but it does have certain features that may make it worth looking at a little more closely.

Mr. Yasir Naqvi: What are the concerns with the current tear tape system?

Mr. Terry Hewak: It's subject to counterfeit, among others. But again, counterfeit cigarettes are a very small chunk of the tobacco market right now. It is a little easier to counterfeit and manufacture illegally.

The idea behind the stamp is that the covert security features, much like you'd find on Canadian currency, would make it a little more difficult to replicate and consequently would make it easier for the government to see whether they are legitimate tax-paid cigarettes.

Mr. Yasir Naqvi: So is the Minister of Revenue working with CRA in creating this stamping regime? Are there some obligations on your part to help them—

Mr. Terry Hewak: There have been discussions going on since about 2005, from what I understand. Again, they hope to introduce it sometime in 2010. The discussions are ongoing, but no decisions have been made at this point.

Mr. Yasir Naqvi: Where is industry on all this?

Mr. Terry Hewak: Actually, the early read is basically—and again we haven't formally consulted with them, but on an informal basis, it sounds like there's a little bit of skepticism in terms of the cost because, of course, this is a much more sophisticated stamp and it will cost more than a simple tear tape. There are some concerns in terms of the expense, but the other issue is there seems to be some reluctance about it from the industry because of the earlier issue that counterfeit represents a very small chunk of the market. It won't necessarily deal with contraband coming in across the border in bags or other forms. It won't necessarily put closure on that, and that's very much a porous border issue rather than a tax admin kind of an issue.

Mr. Yasir Naqvi: Okay, thank you. Mr. Chairman, I'm going to ask if any of my colleagues may have a question to ask.

1330

The Chair (Mr. Norman W. Sterling): Okay. Does anybody—

Mr. Ernie Hardeman: Thank you very much. This is not to criticize; this is just to try and find a solution. I'm going to use a comparator: If we had a single taxpayer in the province who, through an audit, was shortchanging the province half a billion dollars, how long do you suppose it would take us to put something in place to stop that from continuing? I'm just a little concerned as to how I can't get an answer as to where we're going with trying to catch this leakage in the taxation.

Mr. Terry Hewak: Yes. Actually, the whole leakage issue is obviously very, very complicated. We can't confirm the \$500 million because there's no verifiable data, but I think we can all appreciate that there is an issue. The point that I'm trying to get at is, you have to appreciate that we are tax administrators. We certainly

try to administer as efficiently as we can, but to a large extent, the problem here is one of, basically, contraband coming in through the border. The vast majority of it is just coming through from the US side.

Mr. Peter Deschamps: If I could just add to that. My name is Peter Deschamps. I'm director of the special investigations branch. One of the things that we all have to bear in mind is, this isn't a problem that's unique to Ontario. It's a worldwide problem, actually, contraband tobacco. To answer your question specifically, I think we've taken some big steps forward with regard to how we're trying to address the issues, because it's more than one issue. Enforcement isn't the only answer. There are a number of answers, but I think that's one of the things we have to bear in mind.

One of the things we try to do is work with other people as much as we can. That's vital to trying to get a handle on this particular problem.

Mr. Ernie Hardeman: I guess that was my original question when I started back there. If we could do one thing, what would it be? In my mind, it has to be something that would work towards identifying the leakage, then getting the leakage, and—

Mr. Terry Hewak: The leakage is predominantly on the border side. It's very much a federal kind of a—

Mr. Ernie Hardeman: If we're spending all our time designing things that only work on the fringe and you don't close the barn door, by the time you get back with the calf, all the cows are gone. I guess that's why you're here today, to try and explain, and help me and help us understand what we can do to help solve this problem.

Mr. Terry Hewak: That's why we put so much emphasis on working with other jurisdictions. It's a very complicated issue—multiple levels of government, other provinces, multiple enforcement agencies. There are multiple tax administering jurisdictions, even at the local level, in many cases.

Mr. Ernie Hardeman: If you put it together with the other countries that are having the same problem—as you say, it's a worldwide problem—are other countries having problems with things coming in tax-free? Do they have the same leakage on Canadian product within their borders as we have with their product within our borders?

Mr. Terry Hewak: I can't speak to the source of it, but we have heard that, for example, in the UK, somewhere like a third of all cigarettes are illegal. Brazil is somewhere in that neighbourhood as well, so it's very much like a worldwide kind of—

Mr. Peter Deschamps: I don't think there's a general answer to that particular question. What I would say is, yes, I would think most western countries have a problem with goods being imported that they're not getting the tax on or the excise on or whatever. It's a worldwide problem. It's not just relating to tobacco, it's other things, so the answer to the question is, yes, people are dealing with similar situations.

Some people have problems that are worse than ours and I think we've benefited from their experiences with regard to how they've handled it. Actually, the stamp is a

step in the right direction. I think the federal government spent an awful lot of time talking to a number of jurisdictions, and the stamp, while we haven't made a decision on where we're going with that yet, is probably a step in the right direction.

Mr. Ernie Hardeman: There's a fair bit of media coverage on the fact that our tobacco-growing industry is going to get out of the quota system and they will no longer be self-governing, to say who can grow what and how much they can grow. Is that going to make this problem worse? Who is going to be minding the store on the production side for the legal side of our tobacco tax?

Ms. Carol Layton: Maybe I'll have Richard speak to that one specifically, because he has been talking to some of the folks at ag and food.

Mr. Richard Gruchala: It's part of the federal buy-out package, which I believe was announced back on August 1. There were two requirements in the federal package. One was that the industry become deregulated, so essentially the elimination of the quota system currently in place by the flue-cured tobacco marketing board. The second component essentially was that the province establish a licensing regime. The marketing board, for lack of another term, is in the process of establishing the licensing mechanism that will oversee the remaining participants in the industry: the growers, the producers.

Mr. Ernie Hardeman: If the province decides to license it—it's a legal product, and the only reason it's been controlled thus far is because the farmers themselves decide how much you can grow. When that's not true, then what's the difference between a tobacco plant and a corn plant, and how do you, under our Charter of Rights and Freedoms, say I can't grow a legal product unless I get a licence? The reason I bring this up is not because of the farmers issue, but when you don't control the growth, how are you going to control the product going to the manufacturers, and even how much the manufacturers are buying, for that matter, because there's no control of that?

Mr. Richard Gruchala: One of the stipulations being looked at—it hasn't been finalized at this point in time—is that a producer, as part of a licensing regime, has to have a licensed buyer. So there would be some control within the system itself, because licensed buyers—the major manufacturers and others—would have a vested interest in ensuring that the amount of illicit tobacco grown is minimized. So there would be a bit of a built-in mechanism there. The provision around having a licensed buyer as part of the contract with the producer would be under the auspices of the board. Again, that's not finalized at this point in time, but I understand that's kind of their direction.

Mr. Ernie Hardeman: So you're convinced, from the Ministry of Revenue, that you can design the licensing fee to have the same protection we now have to control production in relation to manufacturing?

Mr. Richard Gruchala: I'm not sure we would say the same control as exists. We're keeping an eye on the

situation, because it hasn't been finalized yet. I think that as we get toward finalization or as the board itself becomes the authority for the licensing regime, we'll see what the final mechanisms are. That's why I said I'd give you a read at this point of what I understand are the points of discussion, but it has not been finalized yet.

Mr. Ernie Hardeman: Okay. Thank you.

The Chair (Mr. Norman W. Sterling): Could I just ask Mr. Deschamps: In terms of staff—your staff deals with all the taxation issues in the Ministry of Revenue—how much of your staff is, let's say, in the tobacco area?

Mr. Peter Deschamps: Two thirds of my branch is actually doing tobacco investigations at the present time and one third is doing everything else. Our biggest issues from a special investigations point of view would be tobacco, retail sales tax, fuel and gas. Those are the biggest four.

The Chair (Mr. Norman W. Sterling): As I see the Ministry of Revenue, there are sort of two enforcement activities: One is retail, we've heard over here, and you are the other end of it. Can you enlighten the committee as to what you have done, for instance, in the last couple of years and what successes you have had and what kind of operations you have success in?

Mr. Peter Deschamps: I'd be pleased to do that. Over the last two years, we've spent a considerable amount of time developing and nurturing partnerships with a number of agencies. I would argue that since 2001, partnerships among a lot of enforcement agencies are the key to success; it's a way to leverage what you do. I think there's now a general understanding among most enforcement agencies that everybody brings something to the table. My people aren't police officers, but we still bring something to the table in an investigation. That has helped us very considerably with regard to our mandate.

1340

From the point of view of formalizing that, we have worked very hard at developing an intelligence assessment unit that we went outside to get some specialized help on. We've actually got a couple of people from Durham Regional Police—ex-police officers—who are helping us develop that particular function. They are the people who get out there. They're the eyes and ears. They allow us to be more proactive with the types of things that we should be looking at, because at the end of the day it's all about risk.

My branch is more concerned about the distribution chain. The retail inspectors are more interested in the ground-level stuff, the ground-source stuff. So we try to move up in the distribution chain. An average seizure for us is about 1,000 cartons at a time. That's what we're trying to do.

The Chair (Mr. Norman W. Sterling): How many seizures have you had in the last couple of years? Do you know?

Mr. Peter Deschamps: The deputy mentioned that this year we're at about 33 million cigarettes so far and, of course, the year's not up yet. That's opposed to 25 million last year. Over the last three years we've seized,

along with our partners, about 60 million cigarettes. So I think we've made some significant strides. We have some way to go, but we are moving in the right direction, I think. The key to it all has to be working closely with the partners we have.

The Chair (Mr. Norman W. Sterling): When you get information or you suspect a certain distribution, then do you go to the OPP or what is your next step?

Mr. Peter Deschamps: Our relationship with the OPP at the present time is related to routine traffic. If they pull somebody over on a Highway Traffic Act offence or whatever and they notice that there's contraband tobacco, they give us a call and we authorize them to seize the tobacco. We take the tobacco and we take it through court from that point on. We go to court with that, we lay the charges. That's how it works with the OPP.

With the RCMP, depending on the situation, it could be a joint initiative or it could be something we handle ourselves. It could be something that we deal with with the Toronto Police Service. It's not always the RCMP or the OPP. We have a number of partners and, where the situation fits, we try to use those particular partners to leverage our successes.

The Chair (Mr. Norman W. Sterling): So your department would be smaller than the retail department in terms of dealing with tobacco?

Mr. Peter Deschamps: Our branch is the smallest in the Ministry of Revenue.

The Chair (Mr. Norman W. Sterling): Can you tell me how many people are involved with tobacco?

Mr. Peter Deschamps: I don't really like to talk about that. It's one of those things that I think kind of works against us, to talk about how many people we have out in the field. If you're really pressing me for the answer I'll give it to you, but—

The Chair (Mr. Norman W. Sterling): Perhaps you can provide that in a letter to me and we'll share it in camera when we write our report. We'll deal with it at that time.

Mr. Peter Deschamps: Okay. Thank you.

The Chair (Mr. Norman W. Sterling): You mentioned that on an average now you're getting 33 million cigarettes a year.

Mr. Peter Deschamps: I wouldn't say that's the average. That's what it is so far this year. A lot of that this year has been with the support of the OPP on the routine traffic-related stops. A lot of that has to do with partnerships with the RCMP and some of it has been developed from our own initiatives.

The Chair (Mr. Norman W. Sterling): Can you provide us with—perhaps it would take some research on your part if you don't know the answer to this question—how many fines have resulted from your investigations branch over the last three or four years?

Mr. Peter Deschamps: Yes, we can come up with that. We might have it here, actually.

Ms. Carol Layton: I think we do have it here. Peter did talk about 33 million cigarettes seized this year to date and we talked about 25 million the year before. We

went back five years. There have been something like 80 million cigarettes seized. In terms of the actual number of cases that are referred to the legal services branch for prosecution, against that 33-million figure, it's about 175 cases and the number of convictions is 131. There are values on fines, as well.

Likewise, in 2007-08, which was the big year of 25 million cigarettes seized, 130 cases were referred to the legal services branch for prosecution, with convictions in 55 of those. The value of fines imposed by the courts was just over \$2 million.

Mr. Peter Deschamps: What we're finding more and more is that it's not just a question of fines anymore; sometimes it's a question of probation or community service and jail time. That's what we're finding more and more, especially in the last two years.

The Chair (Mr. Norman W. Sterling): I think we'll ask the deputy if she could supply a breakdown on that to the committee.

Do you have questions on this particular matter, Mr. Ouellette?

Mr. Jerry J. Ouellette: Yes. You said 33 million so far this year. Are you talking calendar year or fiscal year?

Mr. Peter Deschamps: Fiscal year.

Mr. Jerry J. Ouellette: Okay, so it ends March 31.

Mr. Peter Deschamps: That's right. Those are cigarettes. There's fine-cut tobacco. I assume everybody knows what fine-cut tobacco is. It's the stuff you roll yourself. We've got 12 million grams of fine-cut tobacco that we've seized this year, and we've seized a large number of cigars this year—78,000 cigars.

The Chair (Mr. Norman W. Sterling): Would you capture any more if you had more resources?

Mr. Peter Deschamps: I don't think there's an enforcement agency around that would say they couldn't do more if they had more resources. The answer to that is yes, we could do more. But I'd like to reiterate what the deputy said: It's not just a question of enforcement; it's a question of a number of strategies to really deal with this.

The Chair (Mr. Norman W. Sterling): I have Mrs. Sandals and Mrs. Van Bommel.

Interjection.

The Chair (Mr. Norman W. Sterling): Yes, I'll come back to you in a few minutes.

Mr. Rosario Marchese: Okay.

Mrs. Liz Sandals: I want to follow up with some of the questions you were asking Mr. Deschamps.

A number of you have referenced the fact that the biggest problem is contraband coming across the border, that that's where the bulk of the untaxed tobacco is coming from and that there needs to be a lot of work with partners in terms of stopping that. For those of us who aren't immigration lawyers or experts on customs as it crosses the border, I wonder if you could sort of walk us through where some of these problems are and who's got jurisdiction along the way. You've referenced partners, but I'm not sure I understand where the actual jurisdiction is in the particular point along the trail.

Let's start off where I understand a lot of the contraband tobacco starts off, on the other side of the border. I understand that a lot of the contraband cigarettes are actually manufactured on a reservation on the other side of the border in a state south of the St. Lawrence. Who's got jurisdiction at the time that what will become contraband cigarettes are being manufactured on reservations on the American side of the border? What sort of law enforcement has it at that point?

Ms. Carol Layton: Maybe you could speak about IBET.

Mr. Peter Deschamps: Yes, sure. If we're speaking about international border points, I think most people would agree that the biggest source of the problem is the area up in Cornwall, so we can speak to that. What generally happens in that area is that there is an IBET team, which the deputy described. Depending on where the IBET is—there are seven around the province of Ontario. There are a number across the country, by the way, but we're only interested in Ontario. There are seven in Ontario, and each border point has a slightly different IBET role. So in Cornwall, obviously cigarettes are a big deal. But there are a number of other things that are a big deal coming through Cornwall—

Mrs. Liz Sandals: I presume drugs and guns.

Mr. Peter Deschamps: Well, drugs, illegal aliens—there are a lot of things coming through Cornwall. The jurisdiction up there is primarily federal. CBSA—Canada Border Services Agency—has an investigations arm and an intelligence function. They have jurisdiction over some of it. Some of it's referred to the RCMP. The RCMP heads up IBET. The protocol is always, with joint operations, the most senior agency has the say, so it's always the RCMP if you're working with the RCMP.

1350

Mrs. Liz Sandals: So at the point that it's crossing the border, it's RCMP.

Can we back up one step? We talked about plants that are in Ontario, that you have to be licensed to manufacture it. At the point where this is being manufactured on the other side of the border, is that manufacture legal on the other—is it only when it crosses the border that it becomes illegal, or is it actually illegal manufacture on the US side of the border?

Mr. Peter Deschamps: Some of those factories on the American side of the border might be legal from an American point of view; some of them might not be. But tobacco that comes across the border into Canada is illegal, because there's no excise on it and there's no Ontario tobacco tax.

Mrs. Liz Sandals: But nobody is attempting to stop its manufacture on the south side of the border? Is that what I'm hearing you say, that even though it's being manufactured there, there is no attempt on the south side of the border to try to intervene in the manufacture of what's going to become contraband?

Mr. Peter Deschamps: I think the New York state government and the federal authorities in that particular

area are trying to deal with the issue from an American point of view.

I thought I heard somebody say that there has been a recent piece of legislation that has passed in the United States that is going to, perhaps, raise the spectre of contraband in the States. I think that's going to give the American authorities at the borders more incentive to, perhaps, work with Canadian agencies. They are doing that. I don't want to suggest here that they're not working with us; they are working with us. Our concern is when it comes across the Canadian—

Mrs. Liz Sandals: And then that's RCMP jurisdiction.

Mr. Peter Deschamps: Right. What generally happens on that front is that we deal a lot with the RCMP because they deal with excise; they enforce excise legislation from the point of view of prosecution. The special investigations branch deals with prosecution of tobacco tax offences. Sometimes what will happen is that we'll take a case to court and there could be federal charges and there could be provincial charges. Sometimes there will just be Ontario charges; sometimes there will just be federal charges. It depends on the situation.

Mrs. Liz Sandals: Okay. So the federal charges would be criminal charges for smuggling or what?

Mr. Peter Deschamps: Well, it's under the Excise Act. It's not a criminal charge, just like it isn't a criminal charge in Ontario.

Mrs. Liz Sandals: Okay. We obviously have no control over the Criminal Code—that's clearly federal—but what you're saying is that even if it is a federal charge, it isn't a federal criminal charge; it's an excise charge. Here, it's obviously a provincial offence because it's a Tobacco Tax Act charge, so it's clearly not criminal. So in neither case would there be any criminal charges laid—or it would be highly unusual for there to be criminal charged laid. Is that what I hear you say?

Mr. Peter Deschamps: It depends on the situation and the size of the situation. My understanding is that excise doesn't give you a criminal record, just like the Tobacco Tax Act doesn't give you a criminal record. That's why we're considered a quasi-criminal agency.

We're working on an authority right now with the OPP where we'll be able to use the code once again for more serious offences, but they're not just tobacco offences; they could be sales tax offences, too. There are times when it makes sense to go under the code, and the RCMP will do that in some situations, but generally speaking, it's under excise.

Mrs. Liz Sandals: Okay. I presume that if it's not criminal, then there would be nothing to keep this person who's doing the smuggling from continuing to cross the border legally, because they haven't got anything on a criminal record, unless they've got some other criminal involvement that they do get picked up for. But on the tobacco side of things alone, there wouldn't be any criminality involved, so there would be nothing to stop the border crossing.

Mr. Peter Deschamps: Well, no, nothing to stop the border crossing per se, but like I said before, there are jail

penalties in the Tobacco Tax Act. We're trying to seek those more and more. We're actually looking at some further changes that I think will enhance our ability to do something about this. The one thing I'd like to say about the Tobacco Tax Act to everybody is, it's a very strong piece of legislation from the point of view of enforcement. In some ways it's better than the Excise Tax Act.

Mrs. Liz Sandals: So if you can get somebody on a large enough haul, they could conceivably attract jail time.

Mr. Peter Deschamps: That's right.

Mrs. Liz Sandals: Now, I guess the other thing that has been raised sometimes in the media is the spectre of people—you get this thing that sounds sort of like Miami Vice, but it's St. Lawrence Vice, and you've got all these high-speed boats crossing the St. Lawrence. Is a lot of this, then, coming across the river as opposed to coming across conventional road-crossing border points?

Mr. Peter Deschamps: It comes across the river in the summertime and it comes across the ice bridge in the wintertime.

Mrs. Liz Sandals: So that means that you've got the continuous border to police as opposed to just border entry points, in terms of the actual problem.

Mr. Peter Deschamps: Right.

Mrs. Liz Sandals: Okay. So that's one scenario where we know it's on one side and coming across to the other side.

I understand that in some cases, you may have cigarettes being manufactured on-reserve in Ontario, which, if they're manufactured in sufficient quantity and then go off-reserve, again would be a tobacco tax violation. So at the point where that's being manufactured on-reserve in whatever quantity—and maybe it makes a difference what quantity it is—who's got jurisdiction? You're in Ontario, but they're being manufactured not by one of the major tobacco companies; they're being manufactured on-reserve. Who's got jurisdiction then?

Mr. Richard Gruchala: Under the Tobacco Tax Act, the general rule is that the law applies equally across the province, so it's a law of general application. The Tobacco Tax Act would have jurisdiction, as would the federal Excise Tax Act, so both jurisdictions would prevail, so to speak, on-reserve.

We have some jurisdictional issues when it comes to matters relating to seizure and judgments on reserves in general at the provincial level under section 89 of the Indian Act. So we have some limitations that apply to us that would potentially cause us some collections-type issues if we were to pursue collections activities or seizures of certain goods. There would be some issues with that.

Mrs. Liz Sandals: So you would have problems interfering with the manufacture at that point or reducing the manufacture because of the way the Indian Act works.

Mr. Richard Gruchala: Only in cases where it comes to seizures or judgments, potentially. In other words, on matters relating, for example, to tobacco, we believe we

have jurisdiction on tobacco issues, so we could seize tobacco on-reserve. But when it comes to the personal property of a First Nations individual on-reserve, we may have jurisdictional limitations there.

Mrs. Liz Sandals: Okay. So it gets a little bit—

Mr. Richard Gruchala: It gets a little bit dicey.

Mrs. Liz Sandals: Thank you very much. That helps us understand, I think, who's doing what where, or why you need some of the partnerships.

If we've got more time, Mrs. Van Bommel has some questions.

The Chair (Mr. Norman W. Sterling): Mrs. Van Bommel?

Mrs. Maria Van Bommel: I'd like to move to another part of your comments and statement to the committee, the gasoline tax exemptions. You mentioned on-reserve retailers. I think again, it may be a question of jurisdiction, but certainly the process is supposed to be that they use their status card to get an exemption on the taxes. How do you enforce a situation where non-natives use the same gas stations to purchase gas? How do you know that they're paying the taxes that the First Nations people don't need to pay?

Mr. Scott Nixon: The gasoline that's delivered to a reserve-based gasoline retailer is actually tax-paid. The way it should work is that a non-native or non-status Indian should be paying the tax-in price on that gasoline. When a First Nations individual purchases the gasoline on the reserve, they're required to show their Ontario gasoline charge, and the retailer must produce a credit-card-type chit to confirm that information—the amount purchased—and they claim the tax as a refund. Technically, the refund for that lower-priced gasoline should not be made to a non-First Nations individual.

In September 2008, we replaced the preparation of the manual paperwork with an option for electronic submission of the refund claim to reduce the burden on the retailer and make it simpler for us to process and again to review those transactions.

1400

Mrs. Maria Van Bommel: So the bulk retailer who delivers the gas is actually collecting the taxes and then relaying that to you?

Mr. Scott Nixon: If you think in terms of the way we collect the tax on gasoline, it's pre-collected at the higher level. So when it's brought down to the retail station, the price of the tax is also included in the delivered cost to the retailer. So they must recoup their tax-exempt sales through a refund process.

Mrs. Maria Van Bommel: Another thing I noticed in your comments: You said that from time to time, around diesel in particular, your emphasis tends to shift based on compliance and price and that sort of thing. At this point you say you've moved more toward checking on coloured fuel, on coloured diesel. Who is actually allowed to use coloured diesel? I know agriculture is, but are there other entities that are allowed to use coloured diesel?

Mr. Richard Gruchala: Essentially off-road, unlicensed vehicles, so in production facilities, farming, for

example, fishing, those sorts of things. So it's essentially in production.

Mrs. Maria Van Bommel: Okay, so fishermen can also use coloured diesel in the engines of the boats?

Mr. Richard Gruchala: I believe so, yes.

Mrs. Maria Van Bommel: Okay. I'm familiar with the dipping of tanks in order to verify whether the person can legally use the coloured diesel or not, but what happens if you find a vehicle, say a farm pickup truck, that is using coloured diesel? What do your inspectors do? What is the process once someone has been discovered using coloured diesel when they're not supposed to?

Mr. Scott Nixon: Just as you said, we do a dip sample into the tank. We actually take more than one sample to preserve one in case it's needed in court. If it's found to be coloured fuel, there is a provincial offences ticket issued for the offence. If it would appear that the individual is operating a business, we will look at the use of the fuel over a period of time. If it cannot be proven that tax-paid fuel has been used in the licensed vehicle, we will raise a tax assessment for the amount of consumption. We estimate the consumption based on the mileage of the vehicle and the length of the vehicle ownership. So there's a provincial charge plus a potential tax assessment.

Mrs. Maria Van Bommel: So the provincial charge has a fine attached to it?

Mr. Scott Nixon: It has a set fee and it's collected through the court system.

Mrs. Maria Van Bommel: So what is that? I guess I'm asking, is it enough of a deterrent? That's a terrible thing for any farmer to ask, but I'm from a perspective of those farmers who do work within the law and pay for regular diesel for their trucks and then use coloured diesel in their tractors, as they're supposed to, as opposed to those who slip coloured diesel into the other vehicles.

Mr. Scott Nixon: The fixed fine is \$430, plus a mandatory victim surcharge of \$75.

Mrs. Maria Van Bommel: Do you seize the vehicle at all?

Mr. Scott Nixon: Not for that offence.

Mrs. Maria Van Bommel: Is there ever an occasion when you would seize a vehicle for using coloured diesel if they weren't supposed to be?

Mr. Scott Nixon: Not in the nature of our program, no.

Mrs. Maria Van Bommel: Thank you very much.

The Chair (Mr. Norman W. Sterling): Mr. Marchese, do you have some questions?

Mr. Rosario Marchese: Yes. I just want to follow up on some of Maria's questions.

With respect to the gasoline tax exemptions, you've introduced the electronic service, you say, but they don't all use that. Is that correct?

Ms. Carol Layton: That's right. It's a voluntary service right now.

Mr. Rosario Marchese: Why is it voluntary, again?

Ms. Carol Layton: This service came into effect in September 2008, after at least four, if not more, years of

extensive consultation with various First Nations leaders and very much developed in consultation with them, in terms of what they want. For them, a system that was voluntary, flexible, fair and transparent is what they asked for, and even in a meeting I had with the Chiefs of Ontario last week, they confirmed again that voluntary is their preference.

Mr. Rosario Marchese: How many are using it? Do we know?

Ms. Carol Layton: Right now, I think there are about four signed up and using it, and there are another almost two dozen that are in the process of going towards it.

Mr. Rosario Marchese: Would you say this is working well?

Ms. Carol Layton: I think it is working well, in particular for the actual gasoline retailer on reserve, given that for those who do go on the electronic system—and one would hope that they will see the benefit of it, that they would—getting your refunds back in days as opposed to weeks and weeks is a pretty compelling proposition, I would think, for them.

Mr. Rosario Marchese: With respect to the field inspectors, the gasoline and diesel inspections, you do this at random, but it's not done frequently, as far as I understand it.

Mr. Scott Nixon: Again, we have a limited number of fuel inspectors, and we tend to look at the various areas of risk.

Mr. Rosario Marchese: Right. And how is that risk?

Mr. Scott Nixon: Well, the risk could be in certain areas where there's potential for vehicles that should be used in a forestry type operation or in a farming operation being taken off and driven on licensed roads. We'll look at those types of things.

We also do joint blitz work in conjunction with the OPP and the Ministry of Transportation on the 401 series of highways, when vehicles are being stopped for safety.

Mr. Rosario Marchese: Let me ask you: The Auditor General mentioned a number of things in his report, in terms of what it is that you should be doing, and there are three: assess the risk, develop an inspection strategy that is tailored to the risks identified, and assess the results of improving its enforcements. What was the answer to those recommendations made by the auditor?

Mr. Scott Nixon: Generally, we agree with the auditor completely. We have to look at the change in—as prices fluctuate for fuel, there will be a great intensity perhaps to try to use coloured fuel, to save the cost of the tax in the operation. We'll use that, and we'll look at the potential areas where it could. In some areas, it's also a seasonal factor that changes the risk.

Mr. Rosario Marchese: You are already using the coloured fuel checks of vehicles.

Mr. Scott Nixon: Correct.

Mr. Rosario Marchese: How is it working?

Mr. Scott Nixon: Again, it changes a little bit with the volatility of the price. As the price of the fuel goes up, we will see a higher number of inspections will result in charges from use of coloured fuel.

Mr. Rosario Marchese: Can I ask you, the \$430 fee—Marie was asking, I think—is that a deterrent? It doesn't seem like a deterrent, does it?

Mr. Scott Nixon: There are other things that can be done. If we find that it's a commercial-type operation, we will actually go back to the place of operation, and if there's a fleet of 50 vehicles, we will look for the tax-paid, non-coloured fuel for proof of purchase, to show that that has been what they've been running in their operating tanks. It would be a fairly significant assessment on top of the straight provincial offences fine.

Mr. Rosario Marchese: And has that happened?

Mr. Scott Nixon: Oh, yes, that's a regular occurrence.

Mr. Rosario Marchese: Frequently? Sometimes?

Mr. Scott Nixon: When we talk about some of the amounts assessed under the Fuel Tax Act, that does happen relatively frequently.

Mr. Rosario Marchese: Okay.

Mr. Peter Deschamps: Can I just add to that?

Mr. Rosario Marchese: Yes, sure.

Mr. Peter Deschamps: The other thing, too—I believe the protocol is that after three tickets, the matter is referred to the special investigations branch, and then we pursue it through court. We've had a couple of gas tax cases before the court. There is a mechanism, if it looks like it's significant non-compliance.

Mr. Rosario Marchese: Okay. Deputy, you talked about Quebec and their dealings with contraband. You said they're doing a good job. You didn't say much about what they're doing in Quebec.

Ms. Carol Layton: The key thing I said is that I speak on a fairly regular basis with my colleague. There are some things that are a little bit different. For example, Quebec largely doesn't have any growers of raw tobacco; Ontario does, although we do have the buyout program. It's interesting that we have that difference, and yet we do have a similar level of contraband problem. So that's kind of an interesting thing.

The other point, too, on Quebec is that because of that one particular area that Mrs. Sandals spoke about, in the Cornwall area, there are five jurisdictions involved. We have New York state, Ontario and Quebec, as well as the Canadian government and the federal US government. Certainly, talking to them and working with them on a working-level basis around how we can work to address the contraband problem is another one that we have agreed to work on.

Mr. Rosario Marchese: I see. I misunderstood. I thought you said that Quebec is doing something great by way of dealing with contraband. I misunderstood. Is that correct?

Ms. Carol Layton: I don't think I said that.

Mr. Rosario Marchese: Okay.

Ms. Carol Layton: But they do—we could probably provide some information on Quebec's approach. It generally is comparable to ours, and in fact a lot of the work of the integrated teams is also with the Quebec police forces.

Mr. Rosario Marchese: Okay, thank you.

The Chair (Mr. Norman W. Sterling): Can I just ask Mr. Deschamps about the procedure when you join with the OPP and there's an interception of cigarettes on the road? It's my understanding that the OPP can't take custody of the cigarettes, so they have to call one of your people, which could take a period of time, depending on the availability of your people, to go to the site and take control of the cigarettes. So you have an OPP officer maybe tied up for a couple of hours—I don't know what the distribution of your staff is over the province, where they're located etc. Why is this necessary? Why couldn't the OPP just take control of the cigarettes, as they would for stolen property, let's say? Why is your involvement necessary at that stage?

1410

Mr. Peter Deschamps: The OPP doesn't have the legislative authority to seize the tobacco at this particular point in time. That's something that's being looked at, but at the present point in time, they don't have the authority. We have to authorize them to seize the tobacco on our behalf.

Mr. Rosario Marchese: And who's looking at that?

Mr. Peter Deschamps: It's being looked at—

Mr. Rosario Marchese: By which ministry?

Mr. Peter Deschamps: Us. It's one of the recommendations—

The Chair (Mr. Norman W. Sterling): Why wouldn't you change that? Are there downsides to it?

Mr. Peter Deschamps: Let me just explain the whole situation with the partnership with the OPP. It's only been in the last two years that we've really had a serious relationship with the OPP down in that particular area of the province. They do participate in IBET. IBET is kind of an apples-and-oranges issue compared to traffic; IBET is something different. The partnership has been very successful. We're looking at ways to make that partnership more responsive. We'd be the first to say that there could be improvements made to it where they have a bigger role down in that particular part of the province. We're looking at those options.

The Chair (Mr. Norman W. Sterling): I don't understand. What harm could come if you just gave them the power to hold the cigarettes until the next day or 36 hours, or whatever?

Mr. Peter Deschamps: That's what does happen at the present time. What will happen is, if they pull somebody over on a routine traffic stop, they'll give us a call and we'll authorize them to seize the tobacco. Our commitment is that we'll go down within the day or a couple of days to pick up the tobacco. We bring the tobacco back, we lay the charges and we take it to court. That's what the arrangement is at the present time.

The Chair (Mr. Norman W. Sterling): Why do they need your permission?

Mr. Peter Deschamps: They don't have the authority to seize the tobacco under the legislation.

The Chair (Mr. Norman W. Sterling): What act is that? Perhaps you could provide me with the act and

section that needs to be amended so that the committee could consider that.

Mr. Peter Deschamps: Sure.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much. I just have a couple of questions. The lawsuit that was recently won I guess goes some way to getting a little bit of that slippage in our taxation system. But my understanding was that that was our product leaving the country, getting cigarettes made and coming back without paying the tax. Was that the essence of the lawsuit?

Mr. Peter Deschamps: Generally, that was the situation, where the cigarettes were manufactured here, exported and then reimported. It's not comparable to the current situation. It's kind of an apples-and-oranges situation, but that's the gist of what those folks pled guilty to.

Mr. Ernie Hardeman: Just another quick question about the answer on the coloured fuel and where you could use the coloured fuel. I thought I heard you say that you could use coloured fuel in off-road vehicles?

Mr. Richard Gruchala: Off-road, essentially.

Mr. Ernie Hardeman: The quad-runners don't have to pay fuel tax?

Mr. Richard Gruchala: They don't require a licence—I believe they do. You said the quad-runners? I believe they do require a licence, so they would not qualify. It's unlicensed equipment off—

Mr. Ernie Hardeman: My lawn mower—I could put coloured fuel in it?

Mr. Richard Gruchala: Sorry. Most of them run on gasoline, not diesel, as I understand it.

Mr. Ernie Hardeman: Mine are both diesel.

Ms. Carol Layton: I was just going to say that we have an actual bulletin that provides all the detail about who can and cannot use the coloured fuel, so with the five things I have noted we owe this committee so far, we could add that as number six.

Mr. Ernie Hardeman: The reason I asked is because I was in that position once. I had a farm-related business and I couldn't use coloured fuel, but I got the tax back on that which I used for farm processing. But the interesting part was, I was told then that the tax was payable on all fuel, unless it was used for the purpose that was exempt. So if I was putting it in the tank, I couldn't claim the tax rebate for what overflowed. Spilled gas pays tax too. I was surprised to hear that recreational vehicles and so forth could use coloured fuel because they don't have a licence.

Ms. Carol Layton: I don't think that's the case. Recreational vehicles are not allowed. They have to pay the tax.

Mr. Ernie Hardeman: They have to pay the tax?

Ms. Carol Layton: Yes, they have to pay the tax.

Mr. Ernie Hardeman: They can't use coloured fuel, then?

Ms. Carol Layton: No. We can provide a bulletin that lists all that.

Mr. Ernie Hardeman: I'm going to quit while I'm ahead.

Ms. Carol Layton: We're going to follow you home.

The Chair (Mr. Norman W. Sterling): You're learning too much, Ernie.

Go ahead, Mr. Ouellette.

Mr. Jerry J. Ouellette: I have a series of questions on alternative fuels—propane and natural gas.

When I look at some of the information, in 2001 the revenues collected from propane fuel were \$10 million, and in 2007-08 they went down to \$3 million. Do you know any reasons or potential reasons why?

Mr. Richard Gruchala: We're just checking on that. Fleet vehicles the likes of taxicabs and things have diminished over a number of years. Back in around 2001 there was greater usage of propane in those sorts of vehicles.

Mr. Jerry J. Ouellette: My understanding was that when a new fuel like natural gas came online to be used as a vehicle propellant, it was tax-exempt for the first five years. Is it basically the case that there's no tax on that at that time, and the same for propane when it was first initiated to become—

Mr. Richard Gruchala: There's still no tax on that.

Mr. Jerry J. Ouellette: Still no tax on natural gas? That's been in place for quite a few years. Why isn't natural gas taxed as a fuel?

Mr. Richard Gruchala: Essentially a policy decision around that.

Mr. Jerry J. Ouellette: Is there some written policy we can get a copy of, so that we'd be able to see what the determining factor is for that?

Mr. Richard Gruchala: We'd have to check.

Mr. Jerry J. Ouellette: Some other things: When you're doing your inspections for fuels, what is it that you actually check for in gasoline? What is the definition of gasoline? Is mmt taxed? Are MTBE, ethanol and the other components that effectively fall into place there?

Mr. Scott Nixon: You're right. As raw crude oil is refined, it breaks down into different products. Gasoline is a taxable product, mostly used in automobiles. There are versions of gasoline that become aviation fuel and things like that. Diesel fuel is basically clear until it has a red dye in it to colour it for tax-exempt use.

Mr. Jerry J. Ouellette: What is a determining factor as to what is gasoline and what is not? My understanding is that there are fuels currently sold on the shelf at Canadian Tire that only pay PST and GST but are fuel tax exempt, but if that same fuel is sold at the pump, it becomes fuel taxable.

Interjection.

Mr. Rosario Marchese: He can come up and speak if he wants.

Ms. Carol Layton: He has a bad cold.

Mr. Jerry J. Ouellette: So do I.

Ms. Carol Layton: We're keeping him away from us.

Mr. Scott Nixon: Just a few things to clarify: When ethanol is mixed with gasoline, it becomes part of the taxable product, and so it is taxable. Propane sold at

Canadian Tire for your barbecue tank is not taxable. It's taxable when it's used in a motor vehicle. So there are different tax points as well to be taken into consideration. Other than that, gasoline itself, dispensed from the pump, is a taxable product.

Mr. Jerry J. Ouellette: Yes, but there are additives that are sold at Canadian Tire that are strictly added to the gasoline component of gas that are not fuel taxable. However, if that same product were to be sold at the pump level—I know this for a fact, because I'm dealing with an individual who is in this situation right now. He would like to sell his product at the pump, but he has no guarantee whether it will be taxed the same as when he sells it on the shelf.

Mr. Scott Nixon: Right. In a simple matter, it's hard for us to determine, at the point it's from the shelf, what the ultimate end use will be, because the taxable component comes into existence when it's used in a motor vehicle. If it's not used in a motor vehicle, it could still remain tax-exempt. That additive, whether it's a performance additive sold on the shelf—administratively it's very hard for us to determine. I suppose you could say we could look at the overall tax status of that, but I would say that the amount of product sold is probably minimal.

1420

Mr. Jerry J. Ouellette: As presented to myself, there appears to be an inconsistency. Natural gas, as you've stated, is not taxed and alternative fuels that are trying to come online are trying to get similar positions. The Ministry of Finance, whose meeting I was at, stated there is no written policy, that there is basically a five-year unwritten rule for non-taxation to gain some footage in the industry in the province of Ontario, but nobody will come forward and put it in print. That's why I've asked for a copy of the determining factor whereby natural gas is now exempt.

Those are pretty much my questions for now.

The Chair (Mr. Norman W. Sterling): Mrs. Albanese?

Mrs. Laura Albanese: I wanted to go back to the OPP not being authorized to seize the cigarettes, and I guess I wanted to have some clarification about what is provincial jurisdiction and what is federal. You indicated that the ministry is looking at this, so I would imagine it would be provincial legislation. I guess my question is, if you have a truck or a vehicle with illegal cigarettes, would they be charged by the OPP for possession of illegal cigarettes in Ontario, would they be charged for contraband of an illegal product by the RCMP or would they be charged just on the basis that no tax has been paid on this product?

Mr. Peter Deschamps: The charge from a tobacco tax point of view is basically a possession charge. So if they pull somebody over on a Highway Traffic Act type offence or whatever—you're talking about a truck, so it would likely be a Highway Traffic Act offence—and they determine that there is tobacco there, the charge would be under the Tobacco Tax Act generally. We would want to lay charges on that.

Having said that, from time to time, they might not phone us; they might phone the RCMP. If they phone the RCMP, then the RCMP will want to lay excise charges. There's a pretty good chance we'd still want to lay tobacco tax charges, but it could be a combination of both.

Mrs. Laura Albanese: They fall under the RCMP in which cases?

Mr. Peter Deschamps: As long as the tobacco is illegal from a federal point of view, where it's not stamped, that's generally the offence. Then the OPP, if they're pulling somebody over on the side of the road, depending on where it is in the province, might phone the local RCMP detachment, and the RCMP would come and seize the vehicle and take it to their lock-up, do the kinds of things that we would do with regard to laying charges, but under the excise act.

Mrs. Laura Albanese: Does it happen often that the OPP would, for example, get in contact with the RCMP and there would be a double charge, as an example of working co-operatively and working together between different partners?

Mr. Peter Deschamps: It does happen, yes.

Mr. Rosario Marchese: But not always.

Mr. Peter Deschamps: Not always.

Mrs. Laura Albanese: You said this is a possession charge. So if you're caught with an illegal drug substance, you have a possession charge and you have a trafficking charge. Am I understanding correctly that no matter how big the load you might have in your vehicle, it's still only a possession charge?

Mr. Peter Deschamps: I'm only speaking for tobacco.

Mrs. Laura Albanese: Yes, tobacco.

Mr. Peter Deschamps: From the point of view of tobacco, the offence from an Ontario perspective is generally possession of unmarked tobacco. The OPP might have a charge under the Highway Traffic Act; they can pursue that. Or they might have a drug offence under the Criminal Code that they might pursue. But from a tobacco tax point of view, it would be possession of unmarked tobacco. So there could be multiple charges on that one pull-over or somebody on the side of the road. Just because they found tobacco doesn't preclude them from charging them under another statute.

Mrs. Laura Albanese: I'm just wondering if there is a chain effect, and also the quantity is—

Mr. Rosario Marchese: The degree of the fine based on the amount?

Mrs. Laura Albanese: Yes, the degree of fine based on the quantity. So whether it's one pack of cigarettes or thousands of them—

Mr. Rosario Marchese: It's just one fine.

Mrs. Laura Albanese: That's one fine.

Mr. Peter Deschamps: Yes, from a tobacco point of view, it's one fine.

Mrs. Laura Albanese: Thank you.

Mr. Peter Deschamps: Like I said, up until now this year, we've got 10 jail terms, 19 probations and 12 com-

munity service convictions, sometimes along with fines. It's not an all-or-nothing thing. You have to remember that what we deal with is at the discretion of the court. So even if a charge is piggybacked with a provincial charge and a federal charge under tobacco, they have to go through the court. It's at the discretion of the court what the fines are.

Mrs. Laura Albanese: Thank you very much.

Ms. Carol Layton: If I could just add one thing: At the end of the day, the Ministry of Revenue is a tax administration ministry. I just want to make the comment about the role that's played by the OPP, the RCMP and the Canada Border Services Agency. There was a study, the Contraband Tobacco Enforcement Strategy, put out by the RCMP in 2008, and they identified that there are about 105 criminal groups working across the country, about a third of them very violent. I guess the point I want to make is that we respect our role as tax administrators and certainly respect the role of the OPP and the RCMP, who are better equipped to deal with the element of folks they could encounter as they are pulling a vehicle over or whatever is happening.

Mrs. Laura Albanese: I appreciate that. I was just trying to better understand the way it works. Thank you very much for the answer and for your clarification.

Mr. Peter Deschamps: Safety is always number one with our staff. That's our policy. Safety is number one.

Mr. Ernie Hardeman: I may be wrong, but what I hear you saying is that an OPP officer could not stop a vehicle because he thinks there are illegal cigarettes in it; it has to be for a different purpose before they can stop them. They can stop a vehicle and say, "Oh my gosh, why have you got all of those cartons of cigarettes in your trunk? They don't look legal." But if they just see the back end of the car down—"I wonder what they have in the trunk"—and stopped them, can they legally enforce smuggling of cigarettes under criminal law, or can only you do that?

Mr. Peter Deschamps: At the present time, if they are pulling somebody over, there's a likelihood that they're pulling them over for something other than tobacco. Once they pull them over for a Highway Traffic Act offence or a RIDE program or whatever and see tobacco, then they either phone us or phone the RCMP.

Mr. Ernie Hardeman: If they pull me over, the first thing I'm going to do is ask why they pulled me over. In all likelihood it's going to be, "You were going too fast," or, "We saw you weaving on the road; we thought there might be some alcohol involved." Is there any way that the OPP could justify, in front of a judge, that they pulled someone over because they saw they were smoking and thought they might have illegal cigarettes? Because at that point that wasn't an offence.

Mr. Peter Deschamps: The short answer would be no, in my opinion.

Mr. Ernie Hardeman: If that's true, and I'm looking for solutions, not problems, should the tobacco act—I've heard it mentioned a couple of times that it's a good act and it's got teeth, but we're having a lot of problems with

it not doing anything. Would it be helpful if it was under the Provincial Offences Act, so the OPP would do the enforcement instead of the Ministry of Revenue?

Mr. Peter Deschamps: That's a policy decision that somebody has to make. I really don't have an opinion on that.

Mr. Ernie Hardeman: From where you are, though—maybe we should ask the deputy—would that be part of the solution? We said there are many things that need to be done but that our law enforcement officers have greater clout in enforcing the law.

1430

Ms. Carol Layton: Just a few things: First of all, we can't direct the affairs of the OPP. A minister can't, a deputy minister can't, a ministry can't, nor can Peter and his entity.

The OPP has to determine where it puts its resources based on the intelligence that it has out there and therefore the risk that's out there. That's what they do, but because we do have the partnership opportunities where they do focus on areas that could be seen as higher risk, like drug running or whatever it is, that's how, then, we get pulled in, because of, in a sense, a consequential determination that's made when they do that. But directing the affairs of the OPP would be something that certainly is not within our mandate.

The Chair (Mr. Norman W. Sterling): Can I ask this: In terms of the prosecutions that you have made, have all of them resulted from random checks by the OPP or are there other kinds of charges that you have made as a result of other activity?

Mr. Peter Deschamps: They're not all OPP-related referrals; put it that way. More and more, that's the way it's working out. We're spending a lot of resources on that particular partnership, and more and more it's becoming that way. That's why we're looking for broadening the partnership to make it more productive for everybody. It's one of those things that needs to be looked at.

The Chair (Mr. Norman W. Sterling): In terms of this partnership with the OPP, your part of the partnership is taking control of the cigarettes, laying the charge and going to court. That would be your part of the puzzle. So perhaps when you provide us with the statistics on it you could provide us with how much is OPP-related and how much is other.

Mr. Peter Deschamps: Sure.

Mr. Yasir Naqvi: We talked a bit about ONT-TAXS and the process around that. Deputy, perhaps you can explain to the committee what is ONT-TAXS, what kind of features there are, and then I have some subsequent questions.

Ms. Carol Layton: I'll start off, and I'll look to Scott as well, because I certainly, as a relative newcomer to the ministry, am very proud of that initiative but know that Scott has a much more intimate feel for it.

It is an initiative that was under this larger modernization initiative, modernizing Ontario's systems for tax administration, called MOST. It is to move to a single tax system across all the different statutes that the province

administers—and there's something like 22 of them—and allow us to improve the functionality of it so that we can put in there much better processes; moving from manual processes in many ways, either through the information that is imaged in or comes in online, because it's going to have online functionality, as well as four years of account history, as well as the ability for our business clients to update their information and also have some third party delegation. So there are a lot of different features there that make this thing up.

Also, it would allow the taxpayer, the company or the business, to be identified by a single business number which is the same as the CRA single business number. When you think about it right now, a company out there might be dealing with many different ministries, different levels of government and have a different identifier with all of that, so just working with one identifier alone is going to be a significant achievement as well. The retail sales tax was first to come on, the employer health tax is now on, and then moving to what we're focusing on right now, which is the gas, the diesel, the fuel and the tobacco tax, and then there are nine or 10 other tax programs to come on to it. It will allow us, from an efficiency point of view, to eliminate 65 legacy systems over time and allow us to have one nimble system that, because of the contract we have with the vendor, will be updated all the time. So it's not going to become a system that's obsolete two or three years later when a better one comes along; it's always going to be refreshed and upgraded. In fact, as part of the contract, the actual vendor keeps back two staff who become part of our on-site expertise to make sure that we have the system always operating in an effective way, no downtime, as well as always being improved.

Scott, from a practical point of view, do you want to—

Mr. Scott Nixon: Just in addition, it offers the ministry some administrative savings. We're looking at eliminating a number of multiple registrations. We're registering the taxpayer once and then setting them up with multiple tax clients. That's a simple reduction in the number of accounts we have to maintain on an ongoing basis. In addition, it gives us the opportunity to look at the taxpayer as one entity. So if there's a credit in one tax account and an amount outstanding in another, we have the ability to offset that very quickly and efficiently. As we say, we're modernizing the system, just bringing it up to date. We have not had the ability to make electronic payments. We have not had the ability to file returns electronically before on taxes. So that is coming forward. Along with that, it increases the ability to image documents rather than have them data-entered or key-punched—just simple efficiencies in the future. Once that data is in an analysis area of the system, we have the ability to look at the data that we've received and do a better job of assessing the tax for that return, or, as the Auditor General has suggested, we need to do more matching of the tax-exempt movement between tax accounts. That's very difficult to do on our old archaic systems where they're very much stand-alone and single-account-based.

Ms. Carol Layton: If I could just add, Yasir, that British Columbia and Manitoba both have that system already. There are 16 US states that have it as well and one very small country, and that's Trinidad and Tobago.

Mr. Yasir Naqvi: You talked about the efficiencies or savings for the ministry. What kind of savings are we talking about for businesses on tax?

Mr. Scott Nixon: Generally, we're looking at a number of changes. Just simply dealing with the ministry as one point of contact for all tax statutes will be beneficial. They're not going to have to keep track of multiple tax account numbers, multiple statements, things like that—just more efficient dealings with us. The concept of making electronic payments could be time-saving, and being able to file returns electronically can be done 24 hours a day, so we're not restricted to banking hours or ministry hours—general efficiencies for the business community.

Ms. Carol Layton: We actually didn't quantify that. We did take the time to quantify certainly the value of the single corporate tax, the harmonization of the provincial and the federal corporate tax, and that's where we identified \$100 million in compliance savings and \$90 million from having a harmonized corporate income tax base, but I don't think with ONT-TAXS we actually were able to—

Mr. Scott Nixon: Not to quantify the time, because it's hard to quantify someone who's doing their paperwork after hours or in between clients. But as part of our implementation process, we have consulted with over 300 clients in 28 different sessions just to get their feedback on the types of systems that we're designing and what features they were looking for and how we could meet their needs—from linking simple things to tax bulletins, making it easier for them to find out the information they need when they need it.

Mr. Yasir Naqvi: So what kind of uptake has there been thus far from the business community for the ONT-TAXS system?

Ms. Carol Layton: Every day we're seeing increases in that. It's huge on the RST. I'd have to get back to you, Yasir, on the exact numbers on that because daily we're getting more and more. Last week at the Tax Executives Institute they had something called "provincial day," and the project manager for ONT-TAXS had many, many companies and accounting firms handing her their business cards. They are starting to register, so it is a growing number each and every day.

Mr. Yasir Naqvi: When we're talking about enforcement in terms of tobacco tax and gas tax, how does ONT-TAXS help the ministry on the enforcement side of things as being discussed by the Auditor General in this report?

Mr. Scott Nixon: For specific enforcement, if we look at the things like our tobacco retail inspection or our fuel inspectors, it's a little bit of assistance there. It's a more efficient processing of the account, the ability to make the payments electronically. When we look at the larger scale of the system, when we talk about the potential audit functions, the amount of data that comes in with

some of the taxpayers that collect tobacco, fuel and gasoline tax for us, which we call our "collectors" or "wholesalers," they're filing a significant amount of information on schedules with their return. We're looking at having that information either imaged or data-captured in an area where we can do more proactive analysis on that data. It will help us in that area, more for audit and administrative enforcement rather than on-the-street inspection.

Mr. Yasir Naqvi: Great. Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. Did you say that the three jurisdictions that were using the same software were Alberta, BC, and Trinidad and Tobago?

Ms. Carol Layton: Actually, no. There are 16 US states, and I could list them all if you wanted. What I said was, British Columbia and Manitoba. I did say Trinidad, but there are also 16 US states, and I'd be happy to read them into Hansard if you wanted me to.

The Chair (Mr. Norman W. Sterling): No. I was just wondering if the committee wanted to go down and have a look at that.

Ms. Carol Layton: I see.

Mr. Yasir Naqvi: Are substitute members included in that?

Ms. Carol Layton: If I could add, though, Vietnam is actually studying Ontario and have come over and we've had some staff over there, so they're going to be, in a sense, almost mentored by us as they introduce it.

The Chair (Mr. Norman W. Sterling): Perhaps you could provide in writing the various other jurisdictions that are using this.

Ms. Carol Layton: I'd be happy to do that.

The Chair (Mr. Norman W. Sterling): Ms. Sandals?

Mrs. Liz Sandals: Yes. I'm looking at the section in the auditor's report called "Gasoline Tax Exemptions," which leads to recommendation 8. In the auditor's report, he talks about First Nations people, I presume, having certificates of exemption, and then he comments that it would appear that many of those certificates may be somewhat out of date or not too much tracked.

In the ministry response, it goes on to talk about Indian and Northern Affairs Canada modernizing the status Indian identification card. I'm presuming that what you're saying is that when that card is in some way changed, you could use that instead of a certificate of exemption. I wonder if you could just briefly explain to us (a) what the feds are doing, and then (b) how you would use it.

Mr. Scott Nixon: The gasoline exemption program for First Nations individuals has been in place for a number of years. If you can imagine how technology has changed, we started with a simple plastic card with an embossed number. We've moved now to a card that has an electronic swipe mechanism on it. It is still an Ontario-based card.

What the federal government is doing through Indian and Northern Affairs Canada is looking at the current individual status card and looking at electronic components being added to that card—either a chip or a stripe. We'll be continuing to monitor their progress on that front because there is the possibility of using that card. There is a very strong reason for using that card, because the First Nations individual is very unlikely to lend it or let it out of their possession. So it has its advantages if we can move towards that card in the future.

Mrs. Liz Sandals: Okay. So it would be a more secure form of identification and therefore a more secure form of determining the exemption. Thank you. That's helpful.

The Chair (Mr. Norman W. Sterling): I don't think there are any further questions by committee members. I'd just ask committee members to hang back, and we'll talk to our research staff regarding suggestions with regard to the report.

I'd like to thank all of you for being here. Enjoy your visit to Trinidad.

Ms. Carol Layton: I'm not going to Trinidad.

Interjection: I do the audit.

The committee continued in closed session at 1443.

CONTENTS

Wednesday 25 February 2009

2008 Annual Report, Auditor General: Section 3.10, gasoline, diesel fuel and tobacco tax	P-237
---	--------------

Ministry of Revenue

Ms. Carol Layton, deputy minister
Mr. Scott Nixon, director, audit inspections and programs
Mr. Richard Gruchala, director, tax advisory services branch
Mr. Terry Hewak, assistant deputy minister, tax revenue division
Mr. Peter Deschamps, director, special investigations branch

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Ms. Laurel C. Broten (Etobicoke–Lakeshore L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Mr. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer

Ms. Susan Viets, research officer

Research and Information Services

CA20N
XC21
-P72



P-15

P-15

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 11 March 2009

Journal des débats (Hansard)

Mercredi 11 mars 2009



Standing Committee on Public Accounts

2008 Annual Report,
Auditor General:
Ministry of Community Safety
and Correctional Services

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :
Ministère de la Sécurité
communautaire et des
Services correctionnels

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

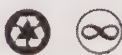
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 11 March 2009

Mercredi 11 mars 2009

The committee met at 1231 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF COMMUNITY SAFETY
AND CORRECTIONAL SERVICES

Consideration of section 3.02, Adult Institutional Services.

The Vice-Chair (Mr. Jerry J. Ouellette): I call this committee to order. I'm Jerry Ouellette, the committee Vice-Chair. I welcome the delegation and would ask you to introduce yourselves so that Hansard has information as to who you are when you're speaking. I appreciate your coming and look forward to the presentation.

Just so you understand the process here, we give you time to do your presentation, and then we open the floor to all the parties on a question-and-answer basis. Welcome to Queen's Park.

Mr. Jay Hope: Thanks very much. I'm Jay Hope, deputy minister of corrections.

Mr. Steven Small: Steven Small, assistant deputy minister, adult institutional services.

Dr. Ralph Agard: Ralph Agard, acting assistant deputy minister, organizational effectiveness.

Mr. Kevin Cowie: Kevin Cowie, assistant deputy minister, adult community corrections.

Ms. Laura Murdock: Laura Murdock, strategic adviser to the assistant deputy minister, adult institutional services.

Ms. Loretta Eley: Loretta Eley, director, strategic and operational initiatives.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you. You may proceed.

Mr. Jay Hope: Good afternoon. On behalf of the Ministry of Community Safety and Correctional Services, I wish to thank the Standing Committee on Public Accounts for this opportunity to address the 2008 annual report of the Auditor General in relation to the ministry's adult institutional services.

Joining me today are—I'll just repeat the names of my colleagues—Mr. Steven Small, ADM of adult institutional services; Dr. Ralph Agard, acting assistant deputy minister of the organizational effectiveness division; Mr. Kevin Cowie, assistant deputy minister of adult community corrections. These individuals comprise a great

team, and we will take a team approach to today's discussion; I'll often set the tone and context and then defer to my subject matter experts.

By way of background, I was appointed deputy minister in July 2008, and my ADMs, while members of the corrections team for years, are also new to their roles, having been appointed last September.

My remarks to you will be brief. In a recent Toronto Star column about public accounts, Jim Coyle wrote, "It usually takes a machete to hack through the thicket of acronyms and baffle-gab when bureaucrats come calling at Ontario Legislature committees." Hopefully, this will not be the case during our presentation today.

I'd like to begin by thanking the Auditor General for his thorough and constructive observations and recommendations, and for recognizing the progress the ministry has made in reducing the number and severity of security incidents and escapes, putting processes in place to better rehabilitate offenders, managing the needs of inmates with mental illnesses and establishing programs to divert these inmates from the criminal justice system, and instituting a new information and tracking system for staff training.

The Auditor General also recognized the importance and magnitude of the changes in Ontario's correctional system over the past decade that have had a significant impact on capacity and operating costs.

Ontario is not unique in its experience when it comes to changes in its inmate population. That's why provincial and territorial representatives, led by Ontario, as championed by our Minister Rick Bartolucci, retained an independent task force to study the issue and prepare a report looking at the changing face of corrections.

Ontario is leading the major work and analysis of the changing characteristics of the adult corrections population. The study is so important to ensure we can plan for the future and share best practices with other jurisdictions across the country. We are working together with all provinces and territories on this national study, and have urged the federal government to also participate. The results will provide us with a better understanding of the current correctional environment to ensure that services are aligned, structured and delivered as effectively as possible.

I also want to share with you our philosophy of systemic change that underlies the manner in which we are tackling our many challenges. We believe that trans-

parency, respect and consistency are key to progressive and sustained organizational change: transparency, by communicating what's going on and why; respect, by having correctional workers recognized as professionals and as equal partners with others in the justice sector; and consistency, so that all correctional services employees feel that they work for one, unified organization.

Our vision for organizational change in corrections is, in essence, a culture change. This positive change is needed, and I know we have the skills and the team to make it happen.

We need to employ new ways of doing business that will deliver an effective, efficient and seamless justice system to all our diverse communities and ensure we remain committed to this goal. In fact, I have added a specific position to my staff, called a compliance officer, to track and follow up on our progress moving forward.

We must create a healthy, inclusive and respectful organization that is proactive and innovative to rectify the full range of issues facing correctional services. This vision has been a priority for the ministry for some time. In 2007, the government committed \$8 million in funding to create a division in the ministry, led by its own ADM, to enable significant organizational change.

Auditor General, the ministry values the recommendations you have provided. They will help us balance public safety and transformation priorities while managing our fiscal reality. We are committed to studying and implementing the report's recommendations where feasible and practical. We recognize that change means flexibility, dynamism and renewal. Change is an operational ethic for us all in corrections.

I will now provide you with a brief overview of correctional services in Ontario, in particular our adult institutional services and the vital role it plays in helping to ensure community safety in our province.

The correctional services division, with over 7,400 staff, accounts for almost half of the ministry's employees. Of that number, 80%, or about 6,000, work in adult institutional services. We have a responsibility to uphold the orders of the court, and we have no control over the number of admissions to our facilities or how long they stay.

Adult institutional services is responsible for supervising adult offenders aged 18 years and older in custody awaiting trial, sentencing or other judicial proceedings, and those serving sentences of up to two years less a day.

On any given day, the ministry is responsible for approximately 8,800 inmates and over 57,600 offenders under community supervision. We operate 31 institutions across the province. Of those 31, there are: 14 jails, which are smaller, older facilities, housing remanded offenders and those sentenced to short terms of 60 days or less; seven detention centres, which are larger, more modern facilities, serving the needs of several regions, and housing remanded and short-term-sentenced offenders; and 10 correctional centres, complexes or treatment facilities for offenders serving longer-term sen-

tences of 60 days to two years less a day, and offering education, work and treatment programs.

1240

It's important to give you an overview of what we're facing in those facilities. There are many issues. It's a fast-paced environment, and we operate on a 24/7, 365-days-a-year basis.

It is true that some of our institutions are older and face some capacity issues. We are committed to improving the conditions in our institutions by making significant investments in new jails and retrofitting older ones.

The numbers and types of offenders we serve, and their needs, have changed. I understand the Auditor General was to give you a sense of the remand issues. Remand creates serious and costly impacts. In the last 10 years, the number of remand offenders in our institutions on any given day has doubled. They now comprise approximately two thirds of the average daily inmate population, up from one third 10 years ago.

In terms of institutional food services, costs have long been a contentious issue. We have more inmates than ever before on special diets, either for medical or cultural reasons. We now provide 14 different types of meals to 33% of the inmates. These meals cost more than a standard meal and are more labour-intensive to prepare and serve.

We have people placed into our care with a variety of health issues. Many come to us injured, sick, pregnant, with compromised immune systems, malnourished, and at times addicted to various substances. Indications are that one third of the population report substance abuse. Some have serious health issues that require constant monitoring and a heightened degree of care. The unique health care needs of our inmates are carefully assessed and treated accordingly. In addition, estimates suggest that approximately 36% of inmates have a mental health issue or disability. While we are making great strides in addressing the needs of these individuals, these issues do need to be thoughtfully managed.

The overrepresentation of aboriginal and racialized people within the criminal justice system is well documented. At the same time, I am acutely aware that our correctional officers do not reflect this demographic. Understanding those with whom you are in close proximity is key. We must begin to reflect our demographic.

Fifty per cent of our inmates have not finished high school and a high percentage is illiterate. The ministry has a number of literacy and educational initiatives across the province to meet the varied educational needs of offenders.

On any given day, up to 18% of inmates belong to security threat groups—gangs, and not just street gangs. We have members of traditional organized crime, terrorists, extremists and hate groups, to name only a few within our walls. They are organized, dangerous and violent. They're always looking for new ways to introduce contraband and weapons into our institutions, and this is why we're further improving our contraband detection tools and training for our correctional officers.

We're committed to ensuring our staff have the knowledge and equipment they need to keep themselves, the public and inmates safe. The ministry recently established the security threat group of the criminal intelligence unit to enhance the identification, management, monitoring and supervision of security threat group members in correctional institutions.

Daily operations are extremely dynamic and bustling, with movement of inmates in and out of institutions. Each year, we have approximately 80,000 admissions, and that number doesn't include the constant movement of inmates to and from court appearances. In Toronto and the GTA, each inmate has an average of 13 court appearances, from arrest through to the final disposition of their case. As you can see, the movement through our institutions is considerable and constant. Our professional and dedicated staff keep order and ensure public safety throughout Ontario.

As well, we work in a very strong and oftentimes challenging labour relations environment, and this brings me to my next topic. We have been in negotiations since late last year, with both parties negotiating in good faith with the goal of an agreement that is acceptable to our hard-working staff, and fair and responsible for both sides. I'm pleased to say that just last weekend, correctional bargaining unit employees voted to ratify the agreement. As you know, I cannot get into details until the tentative agreement is ratified by both parties.

I need to focus now on a key issue for correctional services, that of correctional officer absenteeism. First off, I acknowledge that this is not a new issue. It's one that I understand the ministry has wrestled with since 1993. In 2001, then-Deputy Minister of Correctional Services, Morris Zbar, called the cost associated with staff absenteeism and overtime "one of the ministry's most problematic issues." Despite efforts on behalf of the ministry to address absenteeism, it's an issue that has worsened over time.

In 2002, the Auditor General acknowledged the ministry had put guidelines, policies and procedures in place to address attendance problems and had minimal decreases in the average number of sick days per correctional officer. Unfortunately, we face a situation where correctional officers take an average of 32.5 sick days each year. As Premier McGuinty stated in the Legislature, "This is an unacceptable rate of absenteeism and sick leave. We're not prepared to accept it." Make no mistake; I'm not prepared to accept it, and my minister, Rick Bartolucci, has made it abundantly clear that he is not prepared to accept it either.

We take the well-being of our correctional staff very seriously. Our staff play a vital role in keeping Ontario safe, and their jobs are very difficult ones. No one takes issue with legitimate absenteeism. Culpable absenteeism, however, must be addressed. The OPS, as the employer, acknowledges that the rate of absenteeism is unacceptable and made this issue the main focus of recent collective bargaining for the corrections bargaining unit. While I cannot comment on specifics, we feel confident

that the steps taken via this forum will positively influence outcomes in this area.

I want to move on to address a couple of other recommendations made by the auditor. He recommended that the ministry should establish plans for forecasting short- and long-term demands for correctional institutions. I want you to know that we have already done much work through a capacity study, the goal of which was to develop a method of forecasting both long- and short-term demands for institutional bed space. Specifically, we looked at where we are currently overcrowded and determined the shortfall between what's available today and what's required for the next five, 10 and 15 years.

Using the expertise of the ministry's statistical branch, the ministry was able to develop a model that will project out the institution count to 2022. This model will tell us how many inmates we can anticipate in the coming years, whether they will be male or female, sentenced or remanded, and where in the province they will likely be.

We have started work with the Ontario Realty Corp. to determine how long our existing institutions likely will last and whether we should replace them or continue to maintain them. This assessment will also tell us if we should expand those facilities.

In the more immediate term, we will be adding another 1,244 beds to our system through two major capital projects: the South West Detention Centre and the Toronto South Detention Centre. These two modern and efficient correctional institutions will help meet the demand for more beds. Also, in 2004, the ministry reversed an earlier decision to close several institutions, which would only have served to worsen capacity pressures.

Another area I will speak to briefly is the recommendation to ensure that Ontario's correctional facilities are managed safely and cost-effectively. Our actions to date include directing AIS senior managers to track and report all inmate-on-inmate assaults at their respective institutions; instituting the security threat group of the criminal intelligence unit that I spoke of earlier; and completing a formal analysis of inmate supervision models, including costs and benefits related to successful rehabilitation programming.

In closing, I want to say that I am very proud of the important contribution we in correctional services make to Ontario. Our staff work hard and are extremely dedicated to keeping our operations secure and our communities safe. In addition to the priority of community safety, my assistant deputy ministers and I are committed to diversity, the protection of human rights and the removal of attitudinal and systemic barriers in our workplace for everyone's benefit. The public, our employees and inmates deserve no less. Our goal is to advance organizational change in correctional services with the ultimate outcome of excellent service delivery and a well-trained, engaged and productive workforce.

As I noted at the start of my remarks, we have welcomed the Auditor General's recommendations. I hope

the information I've provided on the ministry's adult institutional services and the work we are doing to address the recommendations has been helpful to the committee.

Thank you for the opportunity to speak today. We look forward to your questions.

1250

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you for your presentation. We'll move to the official opposition. Mr. Hardeman.

Mr. Peter Kormos: How are we doing the rotation?

The Vice-Chair (Mr. Jerry J. Ouellette): You'll be next, if you have questions.

Mr. Peter Kormos: But blocks of how long?

The Vice-Chair (Mr. Jerry J. Ouellette): It's about 20 minutes; that's the standard way it's handled.

Mr. Peter Kormos: Twenty-minute blocks.

The Vice-Chair (Mr. Jerry J. Ouellette): Yes.

Mr. Peter Kormos: Thank you kindly.

Mr. Ernie Hardeman: Thank you very much, Deputy, for the remarks. Just a couple of questions up front. The first one is the issue of absenteeism. Obviously, that's been something that's been bantered about for some time. You mentioned that it's been a problem since 1993. Usually, on an issue like this, the question always becomes, "It's been a problem for some time," but we never seem to know when it started. If we know it started in 1993, what was it that changed in 1993 that would have caused that type of change in corrections, getting more absenteeism than one would expect in the normal course of events?

Mr. Jay Hope: Thank you for that question. I'll turn to my ADM for a response.

Mr. Steven Small: I'd like to thank the member for the question. We've gone through a lot of changes in correctional services over the last 15 years. A number of new staff have joined our ministry. Certainly, there's no one reason why our sick leave has increased over that time period. But what we want to do is review with the bargaining agent representatives the root causes of this absenteeism and address them in co-operation with the bargaining agent.

Mr. Ernie Hardeman: I just want to go a little more into that. If we're discussing the problem, have we identified the problem? I guess the question is, because of the line of work it is and the things that the corrections officers do, do we know that the absenteeism is not acceptable?

Mr. Steven Small: We know that the amount, or the level, of absenteeism is unacceptable, yes.

Mr. Jay Hope: I guess to add from our point, as we mentioned in the notes upfront, our issue isn't with those individuals who have legitimate illnesses; it's around those individuals who we believe are abusing the system. Some of the indicators that we are able to read suggest to us that things look a little suspect sometimes as to when they're taking those days. We won't say exactly that those are the abusers, but things don't look right. So if

it's not meeting the smell test for us, those are the times when we wish to make changes to the system.

Mr. Ernie Hardeman: Thank you very much. Obviously in the auditor's report there are some charts and information in there that would support that comment that there are certain times and occasions when there's more absenteeism than at other times. But how do you go about negotiating that not to happen?

Mr. Steven Small: I'm not at liberty to discuss the details of the contract at this time, but I will say that we believe that the negotiated contract is best for both parties and will lead to improvement in our sick leave.

Mr. Jay Hope: When you used the word "negotiating," I didn't know if you meant in the sense of collective bargaining negotiating or just the discussion that you have with employees about the importance to come to work and the value of being sick only when you are sick. Those are the kinds of conversations—it's important for us to really change the dynamic overall and to change the relationship, if you will, between management and our front line. That's a lot of the work that Dr. Agard is bringing forward. Individuals often think of his area as being the area of diversity, but we're talking about an entire sea change, an organizational behavioural change and construct. That's what we would like to bring forward during our time as stewards of corrections.

Mr. Ernie Hardeman: The reason I bring this up is that I have a problem with the word "negotiating" to solve an abuse problem. That means that at some point negotiation is always about coming to a consensus somewhere between the two opinions. If you have abuse, to "negotiate" the abuse between the two parties, you're going to end up in the middle and you're going to have half as much abuse but abuse nonetheless. I have some concern that if that's the total answer, that we're willing to accept a compromise position, that instead of 30 days, maybe 26 is okay. That's the reason I bring that up. Maybe you could comment on that.

Mr. Jay Hope: The only comment that I'd like to make is that we're doing many things. We've never rested our hat on one aspect of a process, whether it be the bargaining process—we have a number of things we've been doing over time to try and address this situation and that we will continue to do during our time to make changes here.

Mr. Ernie Hardeman: Thank you very much. On page 5, in the bottom paragraph, to deal with the Auditor General's report, "The ministry values the recommendations...." I appreciate that. "We are committed to studying and implementing the report's recommendations where feasible and practical." Could you give me some examples of where our Auditor General would make recommendations that weren't feasible and practical? He's the most practical person I know. So I'd like to know—

Mr. Jim McCarter: Thank you.

Mr. Ernie Hardeman: It's important to me to get a feel for what we can do to help both the ministry and the Auditor General come to the best possible service for the people of the province.

Mr. Jay Hope: Thanks for your question. I, too, would agree with your sentiment around the Auditor General. He and I have had a number of conversations that have been reasonable. Let me just say that where issues are beyond our control—for example, overall in the system we don't have any control over the number of inmates we get or how long they stay with us. So that is a mantra that you will hear today, probably a few times, and it's in that spirit that we talk about how the kinds of things that we will do are really based upon that notion.

I can't give you some specific examples. Perhaps throughout the course of the day things will pop up and we'll be able to come back to it, but it's that sense that we are trying to manage a system when others in the justice cluster, if you will, affect our system and then we are responsible to deal with those issues.

I could give you one example as it pops to mind: the increase of inmates over a number of years. We've responded very proactively to that by way of adding over a thousand new beds to the system. Some would say, "Well, why not more, 2,000 or 3,000?" Those things all have to be balanced with the amount of money that you have at your disposal. So where reasonable, where feasible and practical, we will move in new directions and examine a number of options, those that require a fix monetarily or others.

Mr. Ernie Hardeman: Thank you very much. We had some discussion this morning about the changing face of the people involved, but the question was about the people waiting for bail hearings. What percentage of the people waiting for their bail hearing are people who are in the facilities?

Mr. Jay Hope: I'll turn to support from either one of my ADMs.

Mr. Steven Small: Approximately 78% of the inmate population in our correctional facilities are on remand status. A number of them are at the bail hearing stage or somewhere in the court process. I don't have that figure in front of me, but certainly we will endeavour to find that and provide it to you.

Mr. Ernie Hardeman: I was more interested just in the bail hearings. Do you have any numbers on how many are awaiting a bail hearing and, I guess going one further, how many receive bail after they get to that hearing?

Mr. Jay Hope: We'll provide those numbers for you. I'm not sure that we have that. We don't have that statistic.

Mr. Ernie Hardeman: In our health care system we call those the "bed blockers," the people who are there who for the lack of a process to get them out of there—they're going to be out of there when we get to it with the process. I think for our committee's work, it will be helpful to be able to find, if there are significant numbers of those, to put resources in to move that process faster to free up more beds within the facilities.

1300

Mr. Jay Hope: We can tell you, of the almost 70% that Mr. Small spoke about who are on remand, this is

not a short-term problem. This is going to be the way of the future. The task force that Ontario is chairing and with the support of our minister on this front—we have been tracking this for some time. As you speak about an issue in the health care system and what can be done, 10 years ago almost 70% of the offenders were sentenced offenders. Today we're finding the majority are now remanded. So I'm not sure this is something that, with the introduction of one or two pieces, will go away. This seems to be the current state of our institutions and one that we are not only tracking, but we are trying to come up with innovative solutions to deal with the issue.

Mr. Ernie Hardeman: I just want to go quickly to the committee that's been set up to look at best practices in all the provincial institutions and the federal government not being part of that discussion. It's a two-part question. I suppose the first part is, can we not—without having a large discussion and from the work that the Auditor General's done and the Auditors General in other provinces—see who is already doing the best as opposed to seeing again whether we can find a compromise somewhat better than we were, but not quite; just take the best practices in one of the provinces and say, "This is what we're going to do"?

Secondly, why is it that there is a reluctance of the federal government, in your opinion, to be part of this discussion?

Mr. Jay Hope: The first part of your question, to the reluctance: The change that we're seeing in the provinces and the territories is not a change that exists in the federal system. The federal system deals with sentenced offenders, so there hasn't been any change for them. I can't speak for them, but I would surmise that the reason they don't have a desire to examine alternatives is because they aren't seeing what we are seeing in the provinces and territories on that front.

Also, I am encouraged by recent discussions with the federal government. They haven't said that they're no longer interested in discussing this issue with us. They've asked for a copy of the report, which we've sent to them, as a member chairing the task force. We sent them a copy of the report and they're now reviewing the report and we're hopeful they will come to the table. So it is true, initially that was their position, but I'm seeing some softening on that front.

In terms of the best practices, I sit as a member of the heads of corrections, where a number of best practices are talked about all the time. What one has to remember is that a fix in one problem isn't necessarily a fix in another problem, in another province. So best practices are good for us to identify. We examine what those best practices are, I come back, I talk to my colleagues, and we determine whether or not that is a fix that could work in Ontario. The best practices part of the changing face of the corrections task force report is one that speaks about national standards, common methods of training, and there are a lot of good things in there. We're hopeful that we will see some change on that front here in Ontario too.

Mr. Ernie Hardeman: So it's fair to say that the main body of the work of this committee is dealing with topics—that the federal corrections and provincial corrections are not the same or the change of the sentenced people as opposed to the remanded people—

Mr. Jay Hope: Absolutely.

Mr. Ernie Hardeman: That's the biggest difference.

Mr. Jay Hope: The foundation of the report is on the remand, which they're not experiencing. The best practices—there may be an appetite for them to discuss those issues. Another theme in the report is around the jurisdictional split, which at this point in time they have indicated they don't have an appetite to talk about. But again, I remain hopeful.

Mr. Ernie Hardeman: Very good. Thank you very much.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. Kormos?

Mr. Peter Kormos: Thank you, Chair, thank you, folks. I'm not going to open with the absenteeism issue, but I'm sure we'll get around to it.

I appreciate the 70-30 split, remand/sentence serving. Some of those sentence serving are people who are sentenced to longer than 60 days, who are awaiting their time to be sent out to whatever penitentiary or correctional institute. Help us with that. Of the 30%, how many are serving their sentences in, what is it, 60 days or less, or less than?

Mr. Jay Hope: I'll turn it over to the assistant deputy minister.

Mr. Steven Small: On any given day in our correctional facilities we have approximately 200 individuals awaiting transfer to federal penitentiaries. So the great majority of those sentenced and in our facilities are sentenced to provincial terms of incarceration.

Mr. Peter Kormos: Total population in all the institutions?

Mr. Steven Small: We're talking just over 8,000.

Mr. Peter Kormos: So 30% of 8,000 is 2,400—2,600, because it's 8,800, right?

Mr. Steven Small: Yes.

Mr. Peter Kormos: So 260 of them are people who have been sentenced to penitentiary or penitentiary and reformatory?

Mr. Steven Small: Two hundred of the entire population are sentenced to federal—

Mr. Peter Kormos: Okay. That's a very negligible number. So we're still down to around 2,400 now.

Mr. Steven Small: Yes.

Mr. Peter Kormos: Can you tell us about those? How many of those are awaiting placement in a provincial reformatory—forgive my language; I go back a ways—versus serving their 14-day sentences, their 30-day sentences, their 45-day sentences?

Mr. Steven Small: We'll provide you with that information as we proceed. I can tell you that a great majority of our sentenced offenders are serving short-term sentences.

Mr. Peter Kormos: And you see, the reason why is that you have no control over the federal inmates or over the potential reformatory inmates. You said, sir, when you opened, "We have no control over the number of admissions to our facility"—bang on—"or how long they stay." I understand that the facility has a great deal—the old adage used to be the judge decides how long your sentence is and the Ministry of Correctional Services decides how it's going to be served. So, obviously I'm talking about any number of release programs, those sorts of things. Tell us about what's available to a facility in terms of those sentences that are 60 days or less, those sentences that are being served in that facility, those inmates over whom you have control.

Mr. Steven Small: Sorry, Member, are you asking what programs are available to those individuals or—

Mr. Peter Kormos: No, we're going to talk about that later. I'm talking about what you have at your disposal. You've got day releases for 72 hours, right? Do you have early releases? Do you have discretionary early releases?

Mr. Steven Small: Yes.

Mr. Peter Kormos: Okay, those are the sorts of things. You aren't required to keep an inmate until they've reached their statutory remission state, are you?

Mr. Steven Small: No, but certainly there are criteria, strict criteria, in terms of what individuals we release while they're serving their sentence.

Mr. Kevin Cowie: In addition, an inmate serving less than six months can apply for consideration by the Ontario Parole and Earned Release Board for consideration. As you mentioned, superintendents have some authority to release some temporary absences of up to 72 hours. However, those are typically for compassionate or humanitarian reasons and a lot of considerations go into those decisions.

Mr. Peter Kormos: What about early releases, though? Is there any discretionary early release?

Mr. Steven Small: No, we don't have any discretion on early releases, if that's the question.

Mr. Peter Kormos: There's a public clamour there for people to serve their full sentences. There's somehow this magic in people serving 60 days instead of 55—just incomprehensible. I'm wondering if that's putting pressure on—I'm also interested in where Mr. Hardeman was going, because we've talked about that earlier, this phenomenon of bed blockers, if you will, and I'm talking about pre-trial people. Again, you've got no control over pre-trial custody if they have detention orders, right?

Mr. Steven Small: Yes.

Mr. Peter Kormos: Or even if they don't, but you have no control over that. If they've got detention orders, God bless. If their lawyers decide to keep them there for six months, nine months—oh, by the way, there's a phenomenon, I'm told, about the Toronto Jail, the Don jail, of inmates refusing or declining to be transferred out to Metro East or Metro West because they're more likely to get their two for one or three for one at the Don. There's even a little name for it in the institution. I can't

recall what it is off the top of my head. Tell us about that. Are people actually opting to stay in the Don jail?

Mr. Steven Small: There are a number of inmates who desire to stay in the Toronto Jail for a number of reasons. One certainly has been the trend: what we've seen in judges' sentencing in terms of consideration given to the time they spent on remand prior to sentencing. Other reasons are the proximity to their family and friends for visiting purposes, and certainly a number of inmates get used to the routine and prefer to stay at the Toronto Jail.

1310

Mr. Kevin Cowie: We've also had a number of situations where we have been written to by lawyers asking to keep their clients at that institution to facilitate case preparation and other related issues.

Mr. Peter Kormos: When you receive an unconvicted inmate, in other words a person who's either awaiting bail or has been denied bail, do the institutions have classification systems?

Mr. Jay Hope: If I just speak in overview on that: What we try to do is to keep a separation between those individuals who are still awaiting their time before the courts.

Mr. Peter Kormos: Fair enough.

Mr. Jay Hope: We have individuals who have been sentenced and we try and keep them away from the remanded ones. The population today tends to be becoming increasingly more violent, and so when we have those individuals who are in, let's say, for a drinking and driving offence or something along those lines, we're trying to ensure that there's a separation between those two kinds of persons, as an example.

Mr. Peter Kormos: That's a convicted person, serving a sentence. I'm talking about people who are in there prior to trial, either awaiting their bail hearing or having been denied release.

Mr. Steven Small: Certainly all inmates that come into our custody are assessed upon admission, and a determination is made as to the appropriate living unit designation. A number of factors go into that assessment, including the charges they're facing, information received from the police, information received from the lawyer, personal interviews with the inmate, and any other information we receive we will use in that assessment to determine the living unit for that person.

Mr. Peter Kormos: What does that mean, "living unit"? The remand people are kept in remand units to try to avoid intermingling them with convicted persons. What are you saying? Be specific, please.

Mr. Steven Small: In addition to what Deputy Hope said in terms of looking at remand vs. sentence inmates, we also look at each individual remanded inmate to determine a specific living unit for that person. So there are criteria we would use in terms of placing an individual in a specific living unit.

Mr. Peter Kormos: That's interesting, because I may have misunderstood. But when I visited the Toronto Don jail a couple of weeks ago, I was told that there was no

classification system as there is when you decide what penitentiary or what reformatory some of those go to. Of course, I'm contrasting some stupid kid who's trafficking marijuana, and the police officer doesn't release him, versus somebody awaiting trial for a bank robbery who's got a whole rack of violent convictions.

Mr. Jay Hope: What you heard isn't correct, because we assess every individual when they come into our institution.

Mr. Peter Kormos: I was told they were assessed, oh, yes.

Mr. Jay Hope: For example, some individuals have mental health issues, so an assessment is done at the front end. Some individuals come in with injuries, so they are looked at by our medical staff. There are a number of different assessments and classifications, and so a classification and assessment system does take place in our institutions upon their entry.

Mr. Peter Kormos: Okay. The superintendent was present when that was told to me, and I must have misunderstood.

Mr. Steven Small: Member, if I can just clarify one thing: For sentence individuals, there's a formalized classification process.

Mr. Peter Kormos: I was told that, and that I understand.

Mr. Steven Small: To call it classification—I prefer to call it assessment, because it's not a formalized classification system, but certainly every single inmate is assessed to see which living unit is appropriate for that individual.

Mr. Peter Kormos: I'm also interested in whether or not correctional officers—I should say correctional workers, because it's not just correctional officers who work in jails—are advised when an inmate has a communicable disease. I don't want to focus on AIDS, because that's unfair, because you don't get AIDS by touching somebody. But I'm talking about everything from AIDS, hepatitis, influenza and any number of things that can infect a community rapidly. Are correctional workers advised when an inmate is received who has a communicable disease?

Mr. Jay Hope: I'll speak in overview and allow the assistant deputy minister to respond more specifically. We have a very strong program around occupational health and safety and ensuring that our staff are protected during their time of work. For more specifics, Mr. Small will outline.

Mr. Kevin Cowie: I'll jump in, if I may. There are a number of things we look at. As the deputy minister mentioned, the health and safety of staff is one piece of it. As well, each of the institutions has health care professionals assigned to it, whether it's a doctor on duty, whether it's nursing staff or combinations of. When they assess the inmates and diagnose a particular clinical condition, that information is, by law, confidential. However, as the doctor warrants or as we're advised by health care professionals or by public health, depending on the nature of the illness, we may well tell staff that an inmate

in a particular area is on respiratory precautions or on enteric precautions, depending on the nature of—

Mr. Peter Kormos: I'm sorry; the last one?

Mr. Kevin Cowie: Enteric—fecal-oral contamination. We're simply telling staff—first of all, we train them to practise universal precautions. We issue correctional staff with rubber gloves, we issue them with rubber masks for ventilating inmates as required, and we train them to do CPR and artificial respiration in a safe manner. So although we're not allowed to give a specific diagnosis without the consent of the prisoner, we do certainly say "an enteric outbreak," or, "There are enteric precautions required." We will post notices beside a cell that reference that.

We've had experiences in an institution where there was a Norwalk virus outbreak. The staff health and safety committee was well advised of what the issue was, how it was brought into the institution, how we were working with public health to manage the outbreak and what precautions needed to be taken.

There were also screening mechanisms put in place for staff, so, for example, if a pregnant employee was reporting to work and a condition existed that she needed to be concerned about, she was advised not to work on that day, or if we knew of an employee with a compromised immune system, they could be assigned to another part of the institution. So the answer to your question is yes, we do advise them of precautions that need to be taken. We don't give the diagnosis.

Mr. Peter Kormos: You're prohibited from doing that by virtue of—

Mr. Kevin Cowie: I believe it's the Health Protection and Promotion Act, where your medical condition is—

Mr. Peter Kormos: Okay. Interesting. Again, the non-custodial sentences that are being served: There is a report that the ESP—ankle bracelets, that's what we call them out here, isn't it?—was no longer going to need a supervision resource officer to do an on-site investigation or inspection of the place where that inmate is required to stay at with their ankle bracelet. If that decision was made, why was it made?

Mr. Jay Hope: We took a number of steps to improve that program overall. We had a number of these ESROs, we call them—electronic supervision resource officers—involved in that particular function at one time. But we wanted to provide greater value added. So that particular aspect of it—the installation, the maintenance and the retrieval of the ankle bracelets—was outsourced to someone else and our officers had a different responsibility. Their responsibility was really making sure that the equipment worked in the home—making sure that the home could take the equipment, the ankle bracelets, that we were bringing into place. They were responsible for the technological reports and making sure that they were completed properly. Today, we believe that this particular electronic supervision program is operating better than it was before.

Mr. Peter Kormos: You say "outsourced." To whom?

Mr. Jay Hope: That's currently being done by—

Mr. Kevin Cowie: The Salvation Army.

Mr. Jay Hope: That's a contract we have with the Salvation Army, to go into homes all throughout the province of Ontario and to put the ankle bracelets on, make sure they're working appropriately and, when the sentence is done, retrieve the ankle bracelets.

Mr. Peter Kormos: Shouldn't that be the function or role of a corrections worker?

Mr. Jay Hope: We believe that the role of the ESROs is not the job of a judge in terms of determining community safety. It's not the job of probation and parole officers. They have a specific job to ensure the suitability of living arrangements. So we think that we have our ESROs doing the actual job they should be doing, and that the job that they're doing today is better than it was before, provides more value add for us. The contract, the way we have it structured today, is actually realizing more savings for us, and so, while we always had community safety in mind—that's paramount for us throughout—today this is a better-run contract than it was before.

1320

Mr. Peter Kormos: I appreciate that there are savings involved, inevitably. Intermittent sentences, the weekend sentences, almost inevitably for second-time drunk drivers or even third-time, I suppose—intermittent sentences pose a risk to the institution. Is that fair? They are more likely to bring in contraband and so on.

Mr. Jay Hope: That's correct. Those who are on intermittent sentences tend to be, when they come in on the Friday night, individuals who have alcohol or drug issues. So they do pose a higher risk for us, given the high nature of their in and out.

Mr. Peter Kormos: How do you deal with that higher risk?

Mr. Jay Hope: We have a number of programs in place with respect to contraband in our institutions. So it isn't just about drugs for us and it isn't just about alcohol; it's also about weapons. The Auditor General made a number of recommendations around drug testing. So we had some issue with implementing that, and that was the fact that the regulations are currently not in place to support the drug testing. But, notwithstanding that, I myself am a police officer with over 27 years' experience in policing, and what I intend to do here in corrections is to begin to focus on prevention, education and enforcement. So, to that, let me speak a little bit about what we're doing in our institutions today.

We currently have 38 BOSS chairs in 31 institutions. These are body orifice security scanners to detect the presence of foreign objects in the body.

Mr. Peter Kormos: Metal?

Mr. Jay Hope: That's correct. We also have a number of metal detection systems, and we have a pilot project going on right now at the Toronto Jail where we have drug wands in place. This pilot project began in the fall. It will end in a few months. We will take the information that comes out of that test; we'll determine if there are

any best practices, and we will determine whether or not we'll bring those to other institutions.

At the same time, we're working with the OPP and local police services with respect to doing searches by way of drug dogs. So we're doing searches of inmates, of grounds and facilities.

Another way that contraband comes into our institutions is through visits, whether they be with family, friends or other. We intend to examine the interactions and the way these interactions take place so that we can limit that.

At the same time, we have recently discussed, and we will be moving forward on, a review of our institutions from a security perspective, and once information from that review is done, we will then examine putting these best practices in all our institutions. So we have a number of things in place to deal with security, not to mention our security threat group criminal intelligence unit, whose job it is to make sure that our institutions are safe—safe for the public, safe for our officers and the inmates as well.

Mr. Peter Kormos: Do all of your institutions have these BOSS chairs? Did I say that right?

Mr. Jay Hope: We have 38 of them in 31 institutions.

Mr. Peter Kormos: So every institution has one?

Mr. Steven Small: Yes, at least one.

Mr. Peter Kormos: But the BOSS chair doesn't help—I understand 35-millimetre film containers are particularly popular for bringing in drugs, amongst other things. If the BOSS chair doesn't detect drugs, what current means is there to determine whether or not somebody is using a body cavity to import drugs?

Mr. Kevin Cowie: There are a couple of things, and you're partially right about the 35-millimetre film containers. Also those Kinder eggs that people use—

Mr. Peter Kormos: My goodness.

Mr. Kevin Cowie: So there are a number of procedures that we have in place to search intermittent inmates when they're coming into the building. We do physical strip searches of all new admissions. We do visual checks of their body, body cavities and their clothing. We do a physical search of the clothing that's on them and make sure that the clothing we issue them has been searched as well.

We keep the intermittent offenders separate from the rest of the population, much to your question earlier about remands and classification, and make sure that all their movements are not only supervised within the institution but that searches take place before the movements take place and along the way at the destination they're headed to. Typically, they're escorted by staff to make sure that there's no contact with the regular population, and we do everything we can to make sure that any contraband that is there is intercepted.

Mr. Jay Hope: But it's important for us to say that the issue of contraband in our institutions is one that we've had discussions about since I was appointed deputy minister. It is a priority for us, and we're looking to do

some things in this regard over the course of the next year.

Mr. Peter Kormos: Thank you, folks.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mr. Kormos. Ms. Sandals.

Mrs. Liz Sandals: I'll be sharing my time, as we go along, with my colleagues.

Just before I start questioning, I'd like to comment on the Salvation Army. As you know, there's a long history of correctional facilities in Guelph. I was at a celebration of the 125th anniversary of the Salvation Army in Guelph just a couple of weekends ago. I know that over that whole history the Salvation Army has actually been involved with corrections and doing very good work in the correctional area. I'm actually very pleased to hear that the Salvation Army has the contract to deal with the ankle bracelets, because they do have a very long record of doing excellent work with offenders. If they're involved in that aspect of it, then that seems a good choice of delivery.

What I wanted to talk about first was security, because the Auditor General has noted that while the inmate population has actually increased, the number of security incidents has actually decreased, which seems like very, very good news.

In your opening remarks, Deputy, you did talk, however, about the issue around a lot of inmates who are very high-risk individuals, a lot of inmates who may be involved with gangs or other sorts of professional criminal organizations. You mentioned the security threat group criminal intelligence unit. I wonder if you could tell us a little about the work that they do and how they're deployed in correctional institutions?

Mr. Steven Small: Certainly. Thank you for your question. That unit is still in its infancy. We're ramping it up now. What will occur is a number of intelligence officers will be hired. They will be strategically located throughout the province, at both large and small institutions, so that every institution in the province has access to these individuals. They will be the link between the security officer or manager at the institutions and the law enforcement community and provide information both ways.

Mrs. Liz Sandals: So what would be their particular expertise that they would bring to the institutions?

Mr. Steven Small: They will have expertise in the management of security threat group members or gang members, determining what gang members should be housed in what specific living unit, what gang members should be separated from other gang members, what information is being brought into the institution in terms of contraband, and linking with law enforcement agencies to ensure that both parties have access to this information so that we know what this individual was doing in the community and the law enforcement agency is aware of what they're doing within our institutions. So it's an intelligence officer whose primary responsibility will be the sharing of the information so that everyone is informed on the activities of the gang members.

Mrs. Liz Sandals: And I'm assuming that those individuals, being the experts, would also have information about how to identify people who are gang-involved within the institution and would be sharing that information with the other correctional officers.

Mr. Steven Small: Yes. We have initiated a province-wide database within our institutions so that all gang members are readily identified upon their admission, and we continue to add to that database. The individuals, the intelligence officers, will go through a very extensive training program with the involvement of the law enforcement agencies so that they will be able to identify gang members immediately upon their admission.

1330

Mrs. Liz Sandals: Tied to that, the Auditor General raised the issue of the supervision model: whether there's direct supervision or indirect supervision. My sense would be that currently, the method is chosen based on the design of the building, that certain designs of facility demand certain styles of supervision, so it's really when you're looking at a new facility that there is essentially any decision to be made. Is that a correct assumption?

Mr. Jay Hope: That's correct. Our institutions are a mix of direct and indirect supervision. It's too early for us to say which model we're going to. There's a lot of rich data supporting the notion of direct supervision, but we will be examining that as new institutions come on-line to determine the type that's best for a particular institution.

Mrs. Liz Sandals: What sorts of things would you look at when you're evaluating the two different systems of supervision? What sorts of components go into that evaluation?

Mr. Steven Small: There are a number of components: operational issues, health and safety issues, security issues and financial issues. All these will be considered when we study the programs.

We are visiting other jurisdictions to determine the success of both models. We have engaged the bargaining agent—primarily our correctional workers—to ensure that they have involvement when we finally make a decision in terms of what model will be in place for the two new facilities. That will be the decision-making point, when we open our new facilities in approximately four years, as to what model we will put into those facilities.

Mr. Jay Hope: We have a lot of people who have a lot of experience over time. For each institution, we bring a team together, and that team then goes through the decision-making process about what would work best, based upon the designs we're thinking of for a particular—

Mrs. Liz Sandals: And do you look at what works best in remand versus what works best in sentencing? It strikes me, given that one is more custodial and one is more rehabilitation-oriented, that you might have different requirements for the remand population versus the sentenced population.

Mr. Jay Hope: Absolutely. That's causing us to look at all our decisions, including our programming. The

effects of remand are affecting everything from A to Z. Given that that tends to be the face of our corrections population today, we are examining that in every way.

Mrs. Liz Sandals: Thank you. Mr. Zimmer has some questions, so I'll turn it over to him.

Mr. David Zimmer: I just have one question, and perhaps I'm going to direct it to Dr. Agard, organizational effectiveness division—is that what I would call human resources?

Dr. Ralph Agard: No, not human resources per se.

Mr. David Zimmer: Is someone here from human resources?

Mr. Jay Hope: If you direct your question to me, then I'll attempt to assist you in where it should go, or maybe I have an answer.

Mr. David Zimmer: It's about the absenteeism range. It's generally accepted that it has been going on for a long, long time. How many employees are in the group that the absenteeism has given rise to? Is it a couple of hundred, a couple of thousand?

Mr. Jay Hope: We'll give you that information.

Mr. David Zimmer: Can you give me an idea?

Interjection.

Mr. Jay Hope: We're just trying to gather that information now.

Mr. David Zimmer: Is it in the order of hundreds or in the order of thousands, or what?

Mr. Jay Hope: Do you mean how many are abusing, or how many are in the absenteeism program?

Mr. David Zimmer: How many guards are employed?

Mr. Jay Hope: We have approximately 3,600 front-line correctional officers.

Mr. David Zimmer: Okay. This absenteeism problem has been going on for—some people tell me 10 years, some tell me 15 years. Is that—

Mr. Jay Hope: I believe around 1993 is when it was first noted.

Mr. David Zimmer: All right, so that's 15 or 16 years.

Can you tell me how many guards in that 3,600, approximately, over the last 15 or 16 years have been fired?

Mr. Jay Hope: I couldn't tell you that figure, how many have been fired specifically as a result of this. The information that I have is anywhere between 30% and 40% of that 3,600 are thought to be those who may be abusing the system. That's as close to a number—

Mr. David Zimmer: Okay. Can you tell me when in the last 15 years a guard has been fired?

Mr. Kevin Cowie: I can't tell you when in the last 15 years.

Mr. David Zimmer: Has a guard ever been fired in the last 15 years?

Mr. Kevin Cowie: Yes.

Mr. David Zimmer: For what?

Mr. Kevin Cowie: For culpable absenteeism.

Mr. David Zimmer: Okay, so we know of one. Can you get me the numbers for how many have actually been fired in the last 15 years for absenteeism?

Mr. Steven Small: No, I'm sorry, I don't have that figure.

Mr. David Zimmer: Is that information available?

Mr. Steven Small: We will get you that information.

Mr. David Zimmer: So the information is available?

Mr. Steven Small: Yes.

Mr. David Zimmer: Okay.

Dr. Ralph Agard: If I could add, the link between absenteeism and overtime is not a phenomenon unique to Ontario.

Mr. David Zimmer: Sorry, I didn't understand that.

Dr. Ralph Agard: It's not a phenomenon that is unique to our jurisdiction.

Mr. David Zimmer: I appreciate that. I was just looking for the Ontario numbers.

Dr. Ralph Agard: Right. My sense is that the issue is a complex issue that doesn't come down to a singular point.

But if I could just say one other thing: The ministry, as you're aware, is also part of a labour relationship issue.

Mr. David Zimmer: I appreciate that.

Dr. Ralph Agard: So in terms of going forward, the ministry is certainly going to be seized with wrestling this issue to the ground and coming up with some—

Mr. David Zimmer: I appreciate all of that, but I'm just interested in the facts of the numbers. How many guards in 15 years have been fired for absenteeism?

Mr. Jay Hope: We'll get that information.

Mr. David Zimmer: Okay. Thank you. That's my question.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. McNeely?

Mr. Phil McNeely: Yes, I have a question. Page 11, the 13 court appearances, on average, in Toronto and the GTA—in Ottawa, this is one of the areas where I see a lot of information in the press. I suppose the number of appearances—I think there have been many cases in Ottawa where it's two to one and three to one for the time you serve because of overcrowding as that facility was being constructed and being completed.

Those are incentives for the person who is going to have to serve time. There are incentives in there for the lawyers; I suppose they get paid for court appearances. I don't know what these two lawyers would think about that.

I'm just wondering, are there incentives to go the other way, incentives for both the person being charged and for the lawyers that would sort of push them in a different direction of having fewer people in there, with all those trips? When it gets overcrowded, the person charged has to be taken to another facility and then brought back and misses his appearances. The whole thing becomes very complex. Do you have any suggestions on incentives that could be put in place that would encourage fewer people being on remand in your facilities?

Mr. Jay Hope: I'll take the first part of this question. We are working with the Ministry of the Attorney General on justice, on targets, reductions in the system overall. We're hopeful that by the end of this project, with the targets they've established, we'll be able to contribute to an understanding of the system and those targets at the end of the day.

For ourselves, when any inmate comes into our institution, we do this assessment that Mr. Small talked about and the classification to determine where in the system it's best to have that individual. So we are always trying to balance the overcrowding in our institutions with where best to put a person for their rehabilitation.

Mr. Phil McNeely: Is there any list that goes with—the lawyers are listed here—how many remands their clients get? Is there any list, that we would like to have our lawyers participating in the system in a way that makes it efficient and gets away from this overcrowding? Do we ever record that and show that some of them are 20 remands and some of them are four? Is this something that could be done? That's not your prison system; that would be the court system. It seems to me we have to get the incentives pointing in the right direction. I don't have any other questions.

1340

Mr. Jay Hope: I think that's a question that's appropriately, as you mentioned, directed to the Attorney General's ministry and not our ministry. What I can tell you, with my colleagues at my level and my assistant deputy ministers, as we sit on the heads of corrections and confer with our colleagues right across the country, and particularly through the changing face of corrections task force, we know what's going on in our institutions and we are developing plans to respond to those things, not just for today but into the future.

Mr. Phil McNeely: Thank you.

Mrs. Liz Sandals: We'll take up again in the next round.

The Vice-Chair (Mr. Jerry J. Ouellette): That's fine. Mr. Hardeman?

Mr. Ernie Hardeman: I want to get to the question about the challenges of two for one, three for one. I may be an exception in this room; I'm not a lawyer. I don't understand that, but—

Mr. Peter Kormos: To your credit.

Mr. Ernie Hardeman: I won't go there, Peter.

Am I understanding this right, that depending on which facility you're in, all of which are under the same ministry, you would get a higher credit for time served in some facilities over others?

Mr. Jay Hope: The issue is more acute at the Toronto Jail than at others. Those inmates in that facility are trying to make the argument that, because of the conditions in that facility, they should be given this three for one or two for one. The same argument can't be made at Walkerton jail or some other institutions that don't have that particular type of situation.

What we're trying to do in that particular situation is bring our staff to court. That's what we are required to do

sometimes, but we're trying to do it proactively, where we're able to educate the judiciary about the realities of the overcrowding situation so that they don't unilaterally just offer out a three for one based upon what an inmate says they're experiencing, because that's not the case on each and every day.

Mr. Ernie Hardeman: I guess that's really where I wanted to go with this. Obviously, from where I sit, I don't see that as a fair approach to things, that the condition under which you were incarcerated should somehow impact the length of time you serve. That, to me, doesn't fit together. The judge says, "You have 30 days," and just because you serve it in a different facility, you only have to stay 10 or 20, or 30. What are we doing—not so much to educate the judiciary—to make sure that we don't have places that would warrant that type of consideration?

Mr. Jay Hope: I'm happy to speak about that. We are providing over 1,000 new beds to the system. In particular, the Toronto South Detention Centre and the South West Detention Centre will comprise the numbers in that area.

But if I could go back just a little before that, we developed, and I mentioned this in my opening remarks, a capacity study. That capacity study has allowed us to examine what's going on in our institutions today. We took institutional capacity data for the last 22 years and plotted that on a straight-line graph and we adjusted it for the changes in Ontario's population, the increases, as well as for the kinds of charges that we think will impact on sentences, and then inmates, in our institution for 15 years out.

We brought to bear a number of our long-serving, very professional correctional officers to assist us in getting a really good picture of what's going on in our institutions. Not long ago, I was pleased to sign off on this capacity study which gave us the way forward, if you will, in terms of the institutions. What we have now is Toronto South, where we're going to be adding some 1,650 beds, and the South West Detention Centre, 315 beds; over 1,000 new beds to the system.

At the same time, we are working with our staff to examine the issues in the workplace. We do that through local employee relations committees and through occupational health and safety committees, so that we can address the issues and so that the situation in which some people are going to courts and describing is not the circumstance overall.

Mr. Ernie Hardeman: You mentioned the 15-year projection. As I look through the auditor's report—now, I'm not going to blame the present company, of course, but past company has not done a very good job of making the projections as to where it's going. Every place I read in the auditor's report, we were projecting to have the need for fewer facilities, and we need more. Now that you've got the report completed, as you mentioned, have you got a projection—this is the first step, I presume—of how many beds we're adding to the system? Have you got a projection over that 15 years of

what's going to be required and how we're going to deal with the projected workload over that time?

Mr. Jay Hope: Absolutely. We have those data in the capacity study. If I could just give you some sense for what's going on in our institutions, the biggest thing that we're tracking right now is the increasing number of female inmates. Over the last five years, we've seen a 40% increase in the number of women in our institutions. If we go back 10 years, that number is around 47%.

We're seeing an overrepresentation of aboriginal youth and black and African Canadians in our institutions. We have a really good idea of the set of circumstances that are taking place in our institutions. We know that almost 36% of those individuals who come into our institutions have some form of mental health issue. And so these dynamics, whether it be issues of race or gender, the issues related to the fact that 49% of women and 39% of men have no source of income—there are a lot of things that go into play in our institutions today. We're tracking those and doing a really good job of tracking those so that we can come out with this capacity study and be bang on the mark.

Mr. Ernie Hardeman: Thank you. There also—and this is true in other sectors of our society, people who die in care, or in custody, shall we say—seems to be quite a number, according to press releases anyway, who have died through alcohol and drug usage, or that has been involved in their passing. Is that a big problem? I guess it would be. Not only are a lot of drugs and alcohol consumed, but is it a health problem in our institutions?

Mr. Jay Hope: I'm going to direct this to Mr. Cowie, who will speak to this issue.

Mr. Kevin Cowie: Certainly a number of the inmates we receive have some form of addiction. I can't give you an accurate percentage point. Some will have alcohol addiction; some will have drug addiction; some may have dual addictions. As I mentioned earlier, we have health care professionals in each of our institutions who do an assessment of inmates on their admission and continue to follow the inmates throughout the course of their stay with us.

We also have a number of programs that we deal with to help provide people with education, whether it's Alcoholics Anonymous for remanded prisoners, whether it's Narcotics Anonymous, whether it's life skills programming or other things, to help them deal with what their own particular lifestyles are contributing to as far as their own health risks and issues.

Certainly we have had, over the years, a number of inmates with highly compromised immune systems, whether it be due to alcohol abuse, liver failure or other conditions. Unfortunately, with the nature of the population we get, that is one of the risks that they bring to the system, for sure. But with the contracts we have in place with medical doctors and the way we take prisoners, assess their health, send them to hospital for checkups and treatments and specialized care as required, we provide the highest level of care we possibly can to make

sure that those health issues are managed within the facilities.

Mr. Jay Hope: It's important for us to tell you that the number of deaths in our institutions has been going down. So we take that as a really good sign, that what it is we're doing in our institutions is providing care. For example, last year we had 18 deaths; this year we had nine deaths. Two years before that, we had 24 deaths. So the numbers continue to get better over years.

Mr. Ernie Hardeman: Now, having said that, obviously if you have the statistics for the last three years, how many people have died in the institutions over the past, let's say, 10 years where alcohol and drugs were a factor?

1350

Mr. Jay Hope: We're looking at a chart here which gives us some numbers, but I don't have the ones specific to alcohol and drugs per se. We will have to get that to you, but we don't have that number.

Mr. Ernie Hardeman: I would appreciate that.

The other issue, of course—and this is going to be kind of a fishing expedition, I suppose—is the issue of the drugs in our facilities and how they get there. Could you enlighten me as to what's the most likely and what types of things could be going on that allow that? Obviously, when I lock someone in a facility in complete custody, I should find that when they go to bed at night, they have the same things as they had in the morning; they didn't have an opportunity to go to town and do any shopping. So how is this happening in our institutions?

Mr. Jay Hope: Individuals in custody are very creative, and some of them are spending varying degrees of time, so all they have is time to determine new ways. Some of the ways that they've been bringing it in has been through these visits that I talked about, either with counsel—not just through counsel, but also through family visits.

Depending upon the design of an institution, individuals have been very creative about the ways they've been throwing things over our fence line to try and get drugs into the institution. At the same time, some of our correctional officers have been corrupted, and so—not all of them; we have very professional correctional officers—some of them have also been subject to corruption and have been bringing drugs into our institution.

Other individuals—one of the risks to us, because of the high remand, is when they're going back and forth to court, a higher incidence of them interacting with individuals in the public, and drugs come into their possession. You'd heard from Mr. Cowie the ways and methods—canisters, these eggs, etc.—that they digest these drugs and bring them into the system. I can't detail for you all of the methods, but I can only tell you that they are very creative when they know that they're spending days, some not doing very much; others taking the programming that we offer.

Mr. Ernie Hardeman: One thing that has troubled me somewhat in this scenario is that they always tell me in communities that the most likely place you will find

the drug trade working actively is the place where there's the most money floating around. I wouldn't think that that would be inside a correctional institution.

Mr. Steven Small: Certainly we don't allow inmates to carry funds within the institution. However, they have come up with creative ways of having individuals, family members or friends, transact money for drugs in the community. Those deals are made on the outside, and they result in attempts to bring drugs inside the institution.

Mr. Ernie Hardeman: I think that's all I have.

Mr. Peter Kormos: On the absenteeism issue, I just want to understand. When we're talking absenteeism, are we talking about correctional officers, correctional workers or all correctional staff?

Mr. Jay Hope: The issues that have been outlined in the—

Mr. Peter Kormos: The notorious 32.5 days.

Mr. Jay Hope: That's right. We're talking about correctional officers.

Mr. Peter Kormos: Correctional officers. When you base it on a 12-hour shift, it calculates out to 22.8, as compared to 32.5. Is that right?

Mr. Jay Hope: It's either 22 or 32, depending upon whether you're working an eight-hour shift or whether—when you work a 12-hour shift, that's where it comes to 32.5. But our officers are working 12-hour shifts, so that's why they did that calculation. The actual number of days, though, was closer to 22, I believe, 22.8 days.

Mr. Peter Kormos: That's not as dramatic a number as 32.5, because there—

Mr. Jay Hope: From our standpoint, it's still unacceptable.

Mr. Peter Kormos: It's not as dramatic a number as 32.5. It's regrettable that that's the number that's been floated out there. Now, are we talking about people out on short-term sick leaves, people who have been injured, let's say? Are they part of this calculation?

Mr. Steven Small: Certainly there are a number of ways of calculating, but we're talking about short-term sickness.

Mr. Peter Kormos: How short-term?

Mr. Steven Small: We're talking up to 124 days. Individuals who are injured, to answer the second part of your question, would go on WSIB.

Mr. Peter Kormos: What about a person whose injury was so short-term that they wouldn't qualify for WSIB? The doctor is not here today, but sprains, that sort of thing.

Mr. Steven Small: Legitimate injuries that one encounters.

Mr. Peter Kormos: Yes. But the very short-term injuries: the twisted back, where you need three or four days before you can go back to work. Are they calculated—

Mr. Jay Hope: The system provides for those.

Mr. Peter Kormos: Are they calculated in your sick days?

Mr. Steven Small: If it comes under the short-term sickness plan and not WSIB, yes, you're correct.

Mr. Peter Kormos: So they are.

Mr. Steven Small: Yes.

Mr. Peter Kormos: That's not really fair, is it?

Mr. Steven Small: We direct all our staff to file a WSIB if there's an injury at the work site, and certainly we await a decision by the WSIB on that particular injury. If it's not approved, then it would go under the short-term sickness plan.

Mr. Peter Kormos: There's a waiting period before you're eligible to collect, though. Granted, you can file right away, but there's a waiting period, isn't there?

Mr. Kevin Cowie: For WSIB? Typically, what we do is keep people on the payroll for the first 30 days of any injury, and then the board makes a decision on whether or not to grant the claim.

Mr. Peter Kormos: Yes, but there's a waiting period, isn't there, before you can collect your benefits?

Mr. Jay Hope: We don't seem to know, but we'll find out and get back to you.

Mr. Peter Kormos: I'm pretty sure there is, so if I'm a correctional officer—and I wouldn't do that job for all the money in the world. It's an incredibly tough, demanding job, and all of you in corrections deserve a great deal of credit; you're grossly underpaid too. If I'm a correctional officer and I wrench my back, let's say, removing an inmate from the cell, and I've got a bad back, I know what I've done because that vertebra or that disk was gone years ago and I know what causes it and I did it again, and that it takes three days at home in bed with a whole lot of ibuprofen, and maybe the occasional rye, I call in sick. Is this part of your sick day calculation?

Mr. Jay Hope: Myself and Mr. Cowie will address your question here. But what we really want to focus on are those individuals who are abusing the sick leave.

Mr. Peter Kormos: Okay.

Mr. Jay Hope: The individual you mentioned who legitimately injures himself at work: From my standpoint, I'm saying, "Take as much time as you need to come back to"—as you described it and I agreed—"a job that is very, very difficult." The majority of our people are very professional, so what we're trying to address are those individuals, as have been outlined by Mr. McCarter, who are taking the time on those long holiday weekends and things that one would think there's something not right.

Mr. Peter Kormos: Bang on.

Mr. Jay Hope: That's my first part. Let Mr. Cowie follow up.

Mr. Kevin Cowie: I just want to follow up to say first that I echo the deputy minister's remarks and comments, but also that as a schedule 1 employer with WSIB, if one of our employees claims an injury, we instruct them to file their claim as soon as they know about it. We then follow up with submitting our own paperwork to the WSIB people. If we file late because we were informed late, we're subject to a fine for that, but that doesn't

matter. The bottom line is that the employee is covered from the date the claim is approved, and we don't take umbrage with that. If you say you've been injured at work, we process the documentation, we keep you on the payroll for the first 30 days, as I mentioned earlier, and then the coverage flows from there.

Mr. Peter Kormos: I hear you, but you know what I'm talking about. I'm talking about the guy or gal who self-diagnoses, who says, "I know exactly what happened. I know exactly what the remedy is. It's not a WSIB claim, so I'm not going to file a WSIB claim. I'm eligible for sick days and I'm going to take them until the spasms stop in my bad back."

1400

I don't quarrel with anybody's efforts to find out employees who are abusing sick days. What I'm concerned about is that this number of 32.5 is very dramatic. Do you understand what I'm saying, Chair? It gets the public all up in arms, it exploits the anti-civil-servant mentality that's out there—you guys are well aware of it—and it's not an accurate reflection because you've used it. I'm sorry; I apologize. I'm not suggesting you folks have at all, but somebody has used it in an almost inflammatory way.

Your workers have to be 100%, right, like firefighters and cops. You want a worker who's 100% capable—

Mr. Jay Hope: That's not exactly the case. We make accommodations, and accommodations are required according to the Ontario Human Rights Code. If an individual is not 100%, as you've described it, and wants to work, we will find some work, because there are all kinds of things an employee can do in the workplace that would benefit us to ensure the safety and security of the residents of Ontario.

Mr. Peter Kormos: Are there any instances where management couldn't accommodate a non-fully recovered worker in a non-inmate contact post?

Mr. Jay Hope: What the rules suggest we do in that circumstance is that if there isn't a particular job in that institution, perhaps at another institution or at headquarters a person can provide some work and benefit to us. I don't know the exact number as to when that has happened, if that's what you're looking for, but that's what we would do. If an accommodation in one place isn't there, we would try to find it in a place that would suit both the employee and ourselves.

Mr. Peter Kormos: So that means that the correctional worker who has enough seniority to bump out of the Don jail and go to Metro East because it's a far easier commute from his home in Lindsay or Peterborough or even Bowmanville, because of course he can't afford to live in downtown Toronto—you're telling him, "Well, we've got something for you at Metro West," which compounds his commute. Do you understand what I'm getting at?

Mr. Jay Hope: At one point we were talking about sick leave, and now I'm just a little confused.

Mr. Peter Kormos: Accommodation.

Mr. Jay Hope: But what I want to say is—

Mr. Peter Kormos: No, no. You raised the issue. You surely can't be confused about that.

Mr. Jay Hope: On this issue, though, when we're making accommodations, we're going to make sure it works for both the employee and for ourselves. If they want to work—they have a doctor's note that suggests they can do some other type of work, so we know it's legitimate—we're going to work with that individual. We wouldn't send that individual five hours from their home or something that just didn't make sense.

Mr. Peter Kormos: Okay, but I do appreciate us clearing the air about the 32.5 hours. How many hours do you estimate are the inappropriate sick days? How many sick days would be inappropriate days? You produced the number 32.5.

Mr. Jay Hope: The 32.5 was described by the Auditor General, so you'd have to go—

Mr. Peter Kormos: Well, that's been out there in the press. Mr. Bartolucci was confronted with it, and he said, "It's unacceptable."

Mr. Jay Hope: Absolutely. There are cases where individuals have been off for 32.5 days and that is unacceptable.

Mr. Peter Kormos: So, if you eliminate the legitimate ones, what's the real number of illegitimate sick days?

Mr. Jay Hope: We believe that between 30% and 40% of that 3,600 are individuals who may be abusing it. So if you want to take a conservative view, 30% of 3,600, those are the individuals we want to better manage.

Mr. Peter Kormos: You're speculating that they're abusing it.

Mr. Jay Hope: I said "may," so that's—you know.

Mr. Peter Kormos: It's speculation.

Mr. Jay Hope: I don't know exactly what the number is.

Mr. Peter Kormos: But you don't know who they are. You know whom you suspect and you're speculating that they're abusing the sick days, but you don't know that they are, do you, sir?

Mr. Jay Hope: I'll say this: There are a number of individuals who have higher sick days than we like, and we want to return all employees to 100% health and contributing to the work we have. I can't say it's John and Diane and Susan and Bill.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. Kormos, the auditor is anxious to make one quick point.

Mr. Peter Kormos: Oh, I'm sorry.

Mr. Jim McCarter: Just by way of comparison, we asked BC and Alberta, "What are your sick days?" They average about 15 sick days. I wouldn't want you to jump to the conclusion and say, "Well, 32 minus 15; maybe 17 are inappropriate." I'm not saying that, but that would give you an idea by way of comparison.

Mr. Peter Kormos: Fair enough. Oh yeah, by the way, is there a greater frequency of sick days from certain institutions as compared to others?

Mr. Steven Small: We know that certain institutions have higher sick annual averages than others.

Mr. Peter Kormos: Which are those?

Mr. Steven Small: If you would like to rank them, we have the figures for the 2007-08 year.

Mr. Peter Kormos: Okay. Give us the rankings.

Mr. Steven Small: Well, we have 31 institutions, and, certainly the Toronto Jail had the highest average annual sick leave for the 2007-08 year.

Mr. Peter Kormos: Okay. What was the second highest?

Mr. Steven Small: The Toronto East Detention Centre.

Mr. Peter Kormos: Go ahead. The third?

Mr. Steven Small: The central east correctional complex.

Mr. Peter Kormos: Right.

Mr. Steven Small: The Kenora Jail.

Mr. Peter Kormos: I'll have a talk with Hampton about that.

Mr. Steven Small: The Toronto West Detention Centre, Sarnia Jail—

Mr. Peter Kormos: Okay, good. So you'll provide us with that list?

Mr. Steven Small: Certainly.

Mr. Jim McCarter: We have the range. Our range went from about 10 up to the high 30s. One was as low as, I think, eight or 10—the numbers that we looked at.

Mr. Peter Kormos: Just an observation, folks: As I mentioned before, Hampton and I were in the Toronto Jail, the Don jail, the new Don jail, if you will. It is as stinky and dirty a place as you could ever be in, because the inmates are throwing garbage and stuff—including urine and feces from time to time—out into the catwalk that surrounds the units or ranges.

The staff washroom consists of a little closet. There are no shower facilities for the staff. The ventilation screens for the air intake, at least down where the prisoners take their clothes off to change back into their prison garb, in one and a half weeks produced a three quarters of an inch layer of crap on the filter, which is being inhaled by those guards. The ventilation system, as you know—and, yes, I know you're building a new Toronto South—is almost non-existent. There's no air exchange in there.

Good God. I felt sick after three hours—the noise, the din, the hooting and hollering and screaming and carrying on, the guys who were bored—and you're right there, never mind once you get into the mental health areas. There's urine flowing out from underneath cell doors. Isn't it logical to expect that to be one of the highest sick day locations? Isn't there some logical connection?

Mr. Jay Hope: If I could just take the first part of this, then I'll turn it over to Mr. Small. Since I've come in as the deputy minister in July, I've gone on a tour of a number of our 31 institutions. I have been there announced, and I have been there unannounced, when they didn't know that I was coming. In any of the visits that

I've taken so far, they've all been well-run, clean, and they haven't in any way approached what you describe. So I'm just saying that the times that I was there, I found the facilities to be, indeed, what they are, jails, but notwithstanding that, they were well-illuminated, they were clean, and I didn't see the urine and the feces that you speak about. So that's not to diminish your experience, only to give you the experience that I've had in 11 of 31 institutions, including two visits to the Toronto Jail with the secretary of cabinet, and they haven't been anywhere near what you've described.

I'd like to also have Mr. Small, who has been a superintendent at the Toronto Jail, speak to you about his experience.

Mr. Steven Small: Certainly, to the member, we have a number of old jails—correctional centres. We are aiming to modernize our system. We are meeting with both health and safety committee members and the employee relations committee members on a provincial and local basis. We know that we need to make improvements at a number of institutions, including the Toronto Jail.

While I was superintendent there, we made improvements, and we're continuing to make improvements. Although it's a difficult job for correctional officers, we are trying to improve those conditions within those facilities where it's needed, and we will continue to do so. We value our employees. We want them to work in an environment that's safe and secure, and we will improve the conditions of our facilities.

1410

I can point out, though, that while I was superintendent there I didn't experience the same conditions that you experienced on that particular day. But after reading your comments, and the comments of the other member who toured the facilities, we will be addressing those comments with the administrators at the facility, and we will be meeting with the employees to address those concerns.

Mr. Peter Kormos: Mr. Hope, I respect you, but I have to tell you I obtained at least photograph—not taken by myself—of the filthy screens. I observed the hand-made signs at that intake area—you know the one I'm talking about—asking inmates not to shake their street clothing because of the stuff that flies off it in an almost thoroughly unventilated area.

The superintendent travelled with us. We were constantly warned, "Watch out; don't step in that," as we were walking on the catwalks along the ranges. The catwalks were full of spilled coffee, orange peels, other garbage. I was warned, "Don't get too close to this next cell door because that's urine flowing out from the door" of a mentally ill patient who was howling at the moon all the while that they were there.

I hear what you're saying, sir, but I'm sorry, I respectfully disagree. I've been in a whole lot of jails across this province too—and don't make jokes about that—many years ago as a lawyer and over the past 20 years as the corrections critic. I've seen the Niagara Detention Centre,

a new jail. Mind you, it's still not a pleasant place to work in, but it sure as heck ain't the Don, or Toronto.

So the place may have been clean and proper when you were there, but it sure as heck wasn't when I was there, and the superintendent did nothing to persuade me, or even suggest to me, that the day we went there was an exceptional day because maybe it was the day before garbage day.

Mr. Jay Hope: I think on this one it's best that we just say we have two different experiences.

Mr. Peter Kormos: You bet we do.

Mr. Jay Hope: The other thing that I just want to add on this is that the Toronto South Detention Centre is a replacement for the Toronto Jail. It is a replacement. It's not that the Toronto Jail will still be in operation once that facility comes online.

Mr. Peter Kormos: We were talking about sick days. The Toronto South jail may well address the issue of sick days because it may have a contemporary air exchange system. It may have better controls around containing mentally ill people—and we'll talk about that in my next round, because I think I've exhausted my modest 20 minutes, haven't I, Chair?

The Vice-Chair (Mr. Jerry J. Ouellette): Fifteen seconds to go.

Mr. Peter Kormos: Well, we'll move on, then.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mr. Kormos. Ms. Sandals?

Mrs. Liz Sandals: I'd just like to comment that I too have some experience touring jails—again, not as an inmate. I would qualify as the pre-arranged visitor, as opposed to unannounced, like the deputy. I have been in the Don, I've been in Maplehurst, I've been in Toronto East. I've been in a number of jails. I've been in closed jails; I've been in police cells in jails. And while I agree that the Don is certainly an old, worn-out facility, my experience at the Don was not like your experience. Perhaps they were treating me more respectfully than they were you; I don't know.

I'm going to turn it over to—

Mr. Peter Kormos: Are you suggesting that maybe it's me?

Mrs. Liz Sandals: I'm going to turn it over to my colleague Ms. Albanese.

Mrs. Laura Albanese: Thank you for being here. I had some questions on the mental health inmates. In your opening statement, you say that "estimates suggest that approximately 36% of inmates have a mental health issue or disability" and that you are "making great strides in addressing" their needs. First of all, I would like to know if you could describe these great strides that we're trying to make in that direction.

Mr. Jay Hope: I'm happy to talk about what we're doing with respect to those inmates who have mental health issues. I believe that the Auditor General also complimented us for our efforts to divert some of those individuals from the correctional system.

We are working with the Ministry of Health and Long-Term Care in a service enhancement strategy that

is a two-phase pilot project where the aim is to keep individuals who have mental health issues out of corrections, and that's a \$50-million strategy. We also have eight psychiatrists, 18 psychologists and one psycho-metrist working on the ACC side—adult community care side—to assist individuals in their transition to the community. We have five fitness centres, where individuals come in to determine their mental fitness. We then transfer them to any one of the 432 beds that we have in the system. We have a 100-bed facility in Brockville at the St. Lawrence Valley Treatment Centre for major mental health, male, sentenced offenders, where we're working with the Royal Ottawa Health Care Group in providing assistance and support to those individuals. We're working with Dr. Greg Brown from Nipissing University in the development of a resident assessment inventory tool to, again, assist us in classifying individuals who have mental health issues. We have a number of programs to support individuals with their mental health while they're in our institutions.

So we are grateful that the Auditor General picked up on the many things that we're doing in our institutions. We will continue to try and address those 36% of individuals who have some mental health issues, because we don't believe that they should be in our institutions, but, given the circumstances, we're working with them to make sure that they can be rehabilitated and work well in the community.

Mrs. Laura Albanese: You mentioned that you have fitness assessment—five centres?

Mr. Jay Hope: Five fitness centres, yes.

Mrs. Laura Albanese: Yes. I don't know where those are. Are those available to people from all over the province? What happens if you happen not to be in a location that has one of these centres?

Mr. Jay Hope: Again, because of our classification we will try and divert these individuals to the location that can best provide the support. I'll talk a little bit about where they are. The Ottawa-Carleton Detention Centre, the Algoma Treatment and Remand Centre, the Hamilton-Wentworth Detention Centre, the Maplehurst Correctional Complex and the Vanier Centre for Women are the five centres that we have.

Mrs. Laura Albanese: I understand. The assessment is made as soon as the inmate enters the jail.

Mr. Jay Hope: That's correct.

Mrs. Laura Albanese: And that's a full assessment.

Mr. Jay Hope: We do a full assessment for injuries, for their mental health, for any issues that they may have—diabetes—so that we can provide appropriate care in an institution.

Mrs. Laura Albanese: I also had a couple of questions on programs. One of these questions would be: Are you gathering statistics, maybe by institution, indicating which institutions are meeting, let's say, the targets for training programs for inmates, and which ones are not, just to know if there are enough programs?

Mr. Jay Hope: We're trying to do better in terms of the tracking in our offender tracking information system.

We're trying to do that better than we are currently. I believe there was a recommendation related to that. So we just continue to refine our systems all the way along.

Mrs. Laura Albanese: My understanding is that because of the remanding, you're not able to provide as much training as we would all hope to see.

Mr. Jay Hope: If I could just speak a little bit on that?

Mrs. Laura Albanese: Yes, please do.

Mr. Jay Hope: One of the issues on remand is that individuals aren't in our care for very long. The average sentence today is 65 days; the average time that they're actually in our institutions is about 46 days. The people who represent inmates today often don't want them to take our programs because it may then suggest to the courts that that person is actually saying, "I was guilty." Why would a person who was innocent then take any one of the programs directed at whatever it might be—sexual offending or anger management—if they weren't guilty of that particular offence? That's one of the issues.

1420

The other impact of remand is that our programs are directed to those individuals who have sentences of six months or longer, and given the short stays of those individuals in remand, we are now trying to redirect our programming and refine our programming so that it can impact upon the almost 70% of individuals who are in our institutions.

Mrs. Laura Albanese: Actually, my next question would have been: Do you have any suggestions on what type of training, or what type of programs, could be available to people who are there, even though they are on a short-term basis, so that their time could be spent more productively?

Mr. Jay Hope: Sure. Let me just give you a tour about our programming and what we do around programming. This will be supplemented by Mr. Cowie.

We have a number of programs and different intensity levels, first of all: introductory to very intensive. The nature of our programs is: For some, we have introductory courses and courses which one might describe as motivational in nature; just short courses, either video or people that we bring in to talk to people. We also have programming directed at what I call the three R's—basic literacy and numeracy.

Mrs. Laura Albanese: You mentioned that there is a high number of inmates that don't even have high school degrees and that they could use some literacy programs.

Mr. Jay Hope: You're absolutely correct, and in fact we're working with the Ministry of Education. We provide programming to assist individuals to get their high school diplomas. We also have programming directed to support individuals in terms of cultural programming. There's aboriginal programming. We're currently going through a process right now where we're trying to make our aboriginal programming and programming for those individuals who are racialized more appropriate, culturally sensitive, so that they can feel better about themselves and understand their culture while they're in our institutions.

We have programs directed to women. We've had women who have given birth in our institutions. So there is the care of your children.

We also have programs which aim to get at criminogenic thinking: those individuals who come into conflict with the law and possibly come back into our institutions time and time again.

We have programs which are evidence-based according to the literature. These are accredited programs. These programs deal with sexual offending, substance abuse, anti-criminal thinking, partner abuse and anger management. We have been, in various studies, lauded for the work that we've done in our programming—the fact that it is evidence-based and tied to literature, and we're working with people in the community who have expertise in these areas.

I'm going to let Mr. Cowie speak as well to this subject.

Mr. Kevin Cowie: Yes, and thank you, sir. One of the questions you asked was about how we're measuring how institutions are doing with their program delivery. In March of 2008, we instituted a new tracking instrument on our offender information system that takes a look at where programs are being offered, what's being offered, what the schedule of programs is, what the take-up on those programs is, as well as what the programs are, in need of the community, so that we can make linkages between those who are serving short sentences followed by probation following incarceration and make the appropriate referral to say, "You may start the program here in this institution and then, as you transition to the community with probation, you pick up the program from there," to make sure that we're making the maximum use of the systems we have.

That system hasn't been in place long enough for us to do an evaluation of it yet. As I say, it has been in just for a year at this point. But we're continuing to work at it to refine it to make sure that we're getting the maximum benefit from that.

In addition, the deputy minister spoke about various programs that are offered. As I mentioned in some of my earlier comments, we have an extensive system of volunteers in the facilities, where we would provide, for example, to inmates on remand, Alcoholics Anonymous services, Narcotics Anonymous services, health care teaching, life skills programs and many other programs, as mentioned by the deputy minister.

We also have literacy programs. For example, I may want to upgrade my education. I can take correspondence courses from the Independent Learning Centre. We were previously given a grant from the public guardian's office for literacy training at the Toronto Jail and the Vanier facility of \$10,000 to help advance those programs as well. We take every opportunity we can to offer programs that are available in order to make sure that the population is able to upgrade itself or deal with the issues that they bring to the facilities, so that when they leave us, they're in a better condition than when they came in.

Mrs. Laura Albanese: Just so that I understand clearly: Are these types of programs, and the last ones that you have described, available even to the inmates that are on remand?

Mr. Kevin Cowie: The ones that I spoke about, Alcoholics Anonymous, Narcotics Anonymous, etc., yes, absolutely. In fact, we encourage people to attend those programs when they're being offered. They're typically offered in the evening, when the other parts of the institution routine are different, so that more people can attend.

Mrs. Laura Albanese: What about literacy, or maybe life skills? Are those also available?

Mr. Steven Small: Yes, certainly. A number of volunteers from various agencies, including the Salvation Army and other great community partners of the ministry, provide numeracy and literacy programs to remanded inmates on a daily basis.

The Vice-Chair (Mr. Jerry J. Ouellette): Mrs. Van Bommel?

Mrs. Maria Van Bommel: I just want to draw your attention to one particular paragraph that I find particularly interesting in your presentation, in which you talk about the overrepresentation of the aboriginal and racialized people. You also talk about the fact that our correctional officers don't necessarily reflect that demographic, and I have a two-part question, in a sense.

First of all, in terms of the inmates themselves—and I think you just sort of touched on it in the previous questions—and in terms of culturally sensitive programming, do you offer things like healing circles for aboriginal people? And how do you address that in terms of your female population versus your male population? I'd like to have just a little bit more information about what you do in terms of cultural sensitivity, and also whether you deal with these things during the remand period or if it's only during the sentence period.

Mr. Jay Hope: I'm going to let Dr. Agard start. There's a piece of this that each of us has an interest in. This is an area of particular interest to me, and in policing and here in corrections it's one that we've brought a lot of focus to and we've made great strides on. I'm going to tie up any pieces that my colleagues here don't address as we start with Dr. Agard.

Dr. Ralph Agard: Let me address the representation piece first. Like many other parts of the OPS, we have to increase the representation and diversity of our employee population. We have just completed an employment systems review, which has identified both systemic as well as attitudinal barriers, and we are on the way in terms of beginning to look at our systems to make sure that we're recruiting a greater diversity of individuals in Ontario. So that's the first thing, and it's well on its way.

I think, as well, since Deputy Hope has taken responsibility, he has, used part of his authority in terms of appointing individuals of a greater diversity to positions that have become available, because one of the traditional challenges for institutions as they change is to consolidate or to find vacancies which become available,

notwithstanding the fact that we have a systems review. You can have all the systems in the world, but you certainly need the opportunities, and he has moved on that. I think that bodes well.

I need to mention that the ESR process is a joint process between ourselves and the bargaining union, OPSEU, so we're on the same page, and we look forward to getting some significant movement with respect to that. Those are the representation issues.

In terms of future recruitment, on the books we are beginning to take a look at how best we increase those who will apply, and that's targeted recruitment, both of aboriginal employees or members of aboriginal communities and racialized communities. We know that racialized communities, in terms of our inmate population, are well represented in the greater Toronto central region, and aboriginal employees up north. I could also ask ADM Small to speak to efforts that we are in fact doing with respect to representation in the northern region.

1430

I think the overriding thing is that as we go forward, we have a partnership between the two divisions, the P and P division, as I call it—probation and parole—the adult institutional section and our division of organizational effectiveness, so that as we move things forward in terms of programming, these underground capabilities are married with whatever we would like to do from a systems perspective.

From a programs perspective, both AIS and ACC have targeted programs. I'll invite both ADMs to speak to what's currently available etc.

Mr. Steven Small: Certainly, the first thing the ministry does is engage the aboriginal communities in both designing and delivering programs to aboriginal inmates. We have 56 contracts throughout the province with community agencies that represent various aboriginal communities, and they assist us in delivering those programs to the aboriginal inmates. We're committed to ensuring that the spiritual needs of the aboriginal inmates are met on a daily basis. We've held a number of ceremonies at institutions specifically for aboriginal inmates, including sweat lodges, healing lodges and various other programs.

In addition, we worked with the aboriginal communities for discharge planning programs so the aboriginal inmates have a link back to their home communities when they're released from our facilities. In addition, we have a number of native inmate liaison officers and community corrections workers who are aboriginal and work both in the community and in our institutions to provide the programs for the aboriginal inmates.

Mr. Jay Hope: The issue of aboriginal inmates in particular is one that we take very seriously. We think we're doing a lot, but there's always a lot more that we can do.

We have a number of native inmate liaison officers who support these individuals. I believe there are 15 of them in a variety of institutions throughout the province. We have some firsts. We were the first to open an ab-

original praying arbour in Thunder Bay in 2006, and we opened a sweat lodge at the Vanier Centre for Women in July 2006. There are a number of things that we're doing in the area of aboriginal inmates, and we will continue to do more. This is an area of focus and priority for us at this time.

Mrs. Maria Van Bommel: Dr. Agard, you mentioned—

The Vice-Chair (Mr. Jerry J. Ouellette): Mrs. Van Bommel, we're going to have to move on. Sorry.

Mrs. Maria Van Bommel: Am I done?

The Vice-Chair (Mr. Jerry J. Ouellette): Yes. And just so people know and understand, in light of the necessity to end the committee at 3 o'clock in accordance with the House rules, we'll move to about an eight-minute rotation, which we'll cycle through until 3 o'clock.

Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much, Mr. Chairman, for the opportunity. I will keep it short.

First of all, I'm starting to feel like I'm spending the whole afternoon apologizing, first that I wasn't a lawyer, and second, that I have never been in a jail, okay? So far, I've avoided that at every opportunity—except jails that have been taken out of service for incarceration and actually been turned into other buildings that serve very well. The county facility in London and the board of health building in Woodstock in my great riding of Oxford county have been converted into some nice buildings.

A couple of questions, just very quickly. In the report, there's a section on food preparation, and four out of the five facilities checked had contracted out the service. But one of the things that comes out of that is that it seems the facilities are producing more meals than we have people to eat them—it may have been that they were expecting guests; I don't know—but the auditor suggests that there's some \$700,000, over the 4,000 people who are there, with the excess meals. There's a saving of \$700,000 available there. I wonder if you could give me some idea of what the ministry is doing about that and whether we are looking and finding ways of better efficiency on those meals?

Mr. Jay Hope: I'll answer your question. I want to talk broadly and then get specific. We have a food production centre called the Cook Chill Food Production Centre, which is a 42,000-plus-square-foot certified facility. It is in Maplehurst and Vanier. It started in three or four places and is now in seven different locations. We provide up to 12,000 meals per day.

One of the issues again, which I mentioned at the outset, is that we don't know how many people we're going to get or how long they're going to stay, so sometimes we have been producing meals to ensure that we have enough meals for the inmates. One of the issues in good offender management is making sure that people are as happy as they can be, and meals go a long way in that regard.

Mr. Peter Kormos: So do drugs.

Mr. Jay Hope: The Cook Chill Food Production Centre is one that provides for us uniform costs, known meals, training opportunities and some efficiencies because we buy in bulk. But the Auditor General quite rightly noted that there are efficiencies that can be realized, and so, as a result, we've paid a lot of time and attention to that. There is a committee that reports directly to me every other month, and there's ongoing work on a daily basis on the Cook Chill contract. This is a contract that we have with an external service provider, Eurest Dining Services, and there are a number of things that we're looking at: How we can reduce the meals—waste, which is how you may have described it. Is there a way that we can better know what our exact needs are? So we're looking at that. We're looking at our staffing levels in each institution to determine whether or not we're properly resourced. We're looking at whether or not we are providing too high a caloric intake or too much food, because we're providing the same amount of food to men and women, so there is some question as to whether or not we should be doing that.

We are leaders in the number of meals that we provide. We provide 14 meals to individuals based upon their medical needs, religious and cultural needs, dietary requirements, whether they're vegetarians, vegans, Muslims and the like. So in order to examine our costs, we need to examine whether or not we will continue to do that.

We're even taking it down to the point of determining whether or not we need to provide meat in all of the recipes that we have. Lasagne, for example: Can we go to a protein, soy-based replacement product over meat? I'm very satisfied that today we are examining how we do business under this Cook Chill Food preparation program to provide the most cost-effective resources for the taxpayer that we can.

On the issue of contraband that was mentioned, that is a very serious issue for us. You kind of just mentioned something there while I was speaking to it. It's not one that we take lightly at all. Again, it is a priority for me, as I now come into this position. We're doing some interesting things on this particular issue, and it's one that we will see results on.

I just wanted to say that to your main question and to the one I heard as a sidebar.

Mr. Ernie Hardeman: Thank you very much. My question really wasn't based so much on the quality and the process. I was just taken, when I was reading the report, by the fact that the price is set at \$11.60. If you look strictly at the meals that were prepared for people who weren't there to eat them, it's \$700,000. The Auditor General says it varied from 4% excess to 11% excess. It would seem to me that immediately, if you brought the 11% down to the 4% and said that there was always 4% because we don't know who's coming or going—if you always had at least 4% excess, it would seem to me that you could cut it down by 7% and nobody—

Mr. Jay Hope: That's one of the areas that we're examining. Thanks for bringing that to our attention. I'd like Mr. Cowie to address some issues on that particular point.

1440

Mr. Kevin Cowie: I was going to mention, as the deputy mentioned in his opening remarks, that we did take a careful look at the recommendations from the Auditor General and we're working hard to implement many of those recommendations now.

My colleague Mr. Small and I have had several meetings and discussions to talk about what is driving the extra meals. You can appreciate, based on the deputy's comments about the in-and-out movements that we have and the high volume of movements, that the food service managers in the retherm institutions have to, to an extent, estimate what the number of meals will be in a day. For example, in one of the larger institutions, if they start with 1,000 inmates—they're feeding breakfast to them—they may have 100-plus inmates going to court. Of the 100 going to court, they're estimating that perhaps 100 will come back, and there may be some new arrivals in there. So there's a lot of flux in the system.

One of the issues that we face in meal preparation is that we can't prepare meals throughout the day. For example, if some of the courts from Durham region are arriving back at the Central East Correctional Centre at 8 o'clock at night, we need to have meals prepared and ready for those inmates to eat so that we don't spend two hours trying to prepare meals. You can appreciate, maybe, how unworkable that would be.

So we're taking a look at where we can find efficiencies, not only from the number of meals ordered within an institution to make sure that we're forecasting what the inmate counts will be as accurately as we can—but we're also taking a look at where we can find efficiencies in that process.

One of the things that we can't do is send meals from the retherm kitchen to an admitting and discharge area or something else, and then bring them back and refrigerate them again. There are food handling safety rules that we need to comply with. So once they've left the kitchen, they are, in effect, served.

Working with my colleague, we're looking at a number of ways to find efficiencies in that. Certainly, based on the auditor's numbers and recommendations, we're satisfied we're going to find significant savings.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. Kormos.

Mr. Peter Kormos: Thank you, Chair. My apologies; I had to leave the room for a moment.

I think the last question I'm going to ask you is about absenteeism. Out of 3,400 correctional officers, how many do you speculate, as you say, may be taking inappropriate sick days?

Mr. Jay Hope: It's just an estimate: somewhere between 30% and 40%.

Mr. Peter Kormos: Back in 2001, this committee was told by the ministry of corrections that it was introducing

random testing of inmates for drug and alcohol use. How's that coming along?

Mr. Jay Hope: I talked a little bit earlier about the regulations not being in place to support a framework. So we can't do it right now because the regulations aren't in place. In any event, the direction that I'm intending to go toward, with the support of my minister, is around prevention, education and enforcement. What we're trying to do is prevent the drugs from coming into our institutions, rather than to be reactive, which it seems to me that drug testing is. We will confirm who has it in their system, but we don't want it even coming through our doors. So that's where we're at.

Mr. Peter Kormos: Have the regulations been written?

Mr. Jay Hope: I'm not sure. If any of my colleagues—

Mr. Steven Small: No, and I want to add to what the deputy said. A recent Supreme Court decision indicated that it wasn't possible to conduct random tests of inmates for drugs and alcohol. We're still following that case and certainly will take every possible method we can to prevent—

Mr. Peter Kormos: Of course you will.

I wonder if, Chair, we could get, along with the list of highest-to-lowest-sick-days institutions—do you know the name of that decision off the top of your head?

Mr. Steven Small: It's Shoniker, I believe, v. Regina.

Mr. Peter Kormos: Where was that? Superior Court or Court of Appeal?

Mr. Steven Small: I believe it was Supreme Court.

Mr. Peter Kormos: It's just interesting, I suppose, from our perspective.

Would you use random drug and alcohol testing if the regulations were in effect and if it weren't contrary to court rulings?

Mr. Jay Hope: That is one of the strategies in the fight against keeping drugs out of our institutions. In a perfect world, and if it was there and at our disposal, we would absolutely consider it.

Mr. Peter Kormos: I understand you can't do cavity searches.

Mr. Kevin Cowie: No. Cavity searches are very tightly restricted. They can only be conducted by a health care professional, with the consent of the individual.

Mr. Peter Kormos: Gotcha. So consent; there you go.

Mr. Kevin Cowie: Yes.

Mr. Peter Kormos: Metal detectors don't detect anything that isn't metal; to wit, a plastic-type container that's full of drugs. You say there are new programs. Is this for dealing with detecting drugs coming in?

Mr. Steven Small: We are conducting a pilot project regarding the use of drug detection wands, narcotics detection wands.

Mr. Peter Kormos: What do they identify?

Mr. Steven Small: Up to 15 different narcotics.

Mr. Peter Kormos: Marijuana?

Mr. Steven Small: Yes.

Mr. Peter Kormos: What about tablets?

Mr. Steven Small: It's based on detecting the residue, so it depends on what—

Mr. Peter Kormos: Oh, it's like the stuff at the airport where they dab your luggage and look for gunpowder?

Mr. Steven Small: That's basically the principle, yes.

Mr. Peter Kormos: How would that work with a plastic object that's inside the person's body?

Mr. Steven Small: This type of equipment isn't designed for that, but the deputy mentioned that we've involved the law enforcement agencies in terms of the use of canine searches.

Mr. Peter Kormos: Will canine searches—they can't smell inside-body drugs, can they?

Mr. Steven Small: They can.

Mr. Peter Kormos: Really?

Mr. Steven Small: Yes.

Mr. Peter Kormos: Some of you are going to have to be more careful at the airport. Is that being worked with yet?

Mr. Steven Small: Pardon me?

Mr. Peter Kormos: Is that being worked with? Is that happening? You mentioned earlier, OPP—

Mr. Jay Hope: Absolutely. We've done that in the past.

Mr. Peter Kormos: You said you were working with OPP. Where is it being done now? At what institution are you running some sort of experiment with it?

Mr. Steven Small: For example, the Toronto Jail uses the OPP canine search unit on a regular basis.

Mr. Peter Kormos: But I'm talking about inmates returning from, let's say, remand court.

Mr. Jay Hope: This is a situation that works best when we're not telling individuals when we're going to do it, so we do it at a number of different institutions on a surprise basis. We do it at our intermittent facility at Mimico. We do it at a number of different places.

Mr. Peter Kormos: You search cells, right?

Mr. Jay Hope: Yes.

Mr. Peter Kormos: You don't search inmates. You don't have the dog—

Mr. Steven Small: Cells, living units, other areas of the institution.

Mr. Peter Kormos: Because this isn't a joke. I remember coming back with some kielbasa from the old country, from my family. That little beagle from the Ministry of Ag and Food got me, but that was kielbasa. What can I say? You didn't need a dog to find it. I smelled of it.

The new institutions—we've got Toronto South and—

Mr. Jay Hope: South West Detention.

Mr. Peter Kormos: How many beds are being shut down and being replaced by the new institution?

Mr. Jay Hope: These institutions will provide over 1,000 new beds and we will replace the Toronto Jail with the Toronto South Detention Centre.

Mr. Peter Kormos: So 1,000 new beds is an additional number of beds?

Mr. Jay Hope: It's an additional number of beds.

Mr. Peter Kormos: That includes the mats on the floor?

Mr. Jay Hope: We're just talking our beds.

Mr. Peter Kormos: We've got to talk about the mats on the floor too—the third person in the cell.

Mr. Jay Hope: We only go to those circumstances when we have overcrowding.

Mr. Peter Kormos: I know.

Mr. Jay Hope: But our 1,000 number does not include a mat on the floor.

Mr. Peter Kormos: So what's the number of beds that are being replaced?

Mr. Steven Small: We have approximately 550 at the Toronto Jail and over 125 at the Windsor Jail, in those two facilities. We're building approximately 350 at the South West Detention Centre in the Windsor area and over 1,600 at the Toronto South Detention to replace the Toronto Jail.

Mr. Peter Kormos: So 1,600 to replace 550, and we know, of course, the Toronto Jail is almost inevitably over 100%.

What is your correctional-officer-to-inmate ratio at Toronto Jail now?

Mr. Jay Hope: You have 300 staff at the Toronto Jail and 562 beds.

Mr. Peter Kormos: Yes, 600 or 700 inmates. What's the staff ratio going to be? Let's say close to 700—right?—at the Don, from time to time. You're doubling the number of beds plus 100. Are you going to double the number of staff?

Mr. Steven Small: That decision on staffing model hasn't been made yet.

1450

Mr. Peter Kormos: Is it going to be direct supervision as compared to indirect?

Mr. Steven Small: That decision is under consideration. We're reviewing both a direct and an indirect model of supervision. Again, as I said, we're studying the benefits of both models and we will engage the bargaining agent representatives in those reviews.

Mr. Peter Kormos: Thank you kindly, folks.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mrs. Van Bommel?

Mrs. Maria Van Bommel: I'm really glad, and I know every farmer in this country is glad, that that little beagle is on the job over there. What were you thinking?

Mr. Peter Kormos: It was old country kielbasa, family-made, for Pete's sake.

Mrs. Maria Van Bommel: I know, but—

Mr. Peter Kormos: "Peter, take kielbasa home."

Mrs. Maria Van Bommel: Dr. Agard, I wanted to go back to your response. Just for my information and maybe for others, you mentioned ESR. What is ESR?

Dr. Ralph Agard: Employment system review.

Mrs. Maria Van Bommel: What does that do?

Dr. Ralph Agard: It is a process of taking a look at—let me just take half a second before that. There's an underlying assumption that systems—and by that, I mean practices. If they're not generating the desired results,

then change is necessary in that system. On average, we should be recruiting a lot more diversity in and among our correctional officers, but we note, for instance, at graduation that there is not visibility; it is very small. So we operate on an assumption that our systems have to be retooled.

So we've taken—I think it is two years?—a two-year exercise, or a year and a half, in terms of actually formalizing what we want to look at, and we've had some consultants in with that speciality who are taking a look at the way we do recruitment, the way we look at some retention issues, why those whom we hire don't stay, why we are not having a pool that is as diverse, what our systems—for example, when we cut off true recruitment, are we in fact taking a look at all of the skills that are available to us as an employer? So we have that in hand now and, with recommendations etc., we're about to put it in place.

Mrs. Maria Van Bommel: In terms of not just recruitment but among current staff, is there a training program or an education program, I guess for lack of better words, to create a cultural sensitivity to the aboriginal and racialized population of your institutions?

Dr. Ralph Agard: Yes. We do that in two ways. One is from an organizational effectiveness position that recognizes that we have to change the way we've done business for many years, and that includes our attitudes and belief systems toward cultural and racial differences etc. So we've just completed—last year we trained every manager in corrections with a three-day exercise in what is termed anti-racism, anti-sexism, understanding differences etc., and how you manage those in the workplace.

We're looking forward to the next fiscal period to work and do a similar exercise on conflict resolution because at the heart of issues arising that are discriminatory or otherwise—some of it, particularly because of the nature of the work that we do, stems out of conflict resolution. So we're increasing that capacity among managers and on a regular and ongoing basis designing education and change practices.

Mrs. Maria Van Bommel: You talked earlier about having a prayer garden at Thunder Bay and the sweat lodge at the Vanier Centre. How do you make sure that all aboriginal people have access to that kind of thing? Do you present those kinds of things in all of your 31 institutions, or do you move people? How do you manage that?

Mr. Jay Hope: Some of this is a voluntary thing, in that individuals either have an awakening while they're in institutions or they come with a conscious sense of themselves and what they want in terms of their own spirituality. So they ask for programming. We don't have this programming in all of our institutions. We're moving, though, to ensure that our programs are culturally sensitive, that the communities have had some input into them, and we're going through that process right now.

We can do better in this regard. We've come some way, but there's more to do on this front, I think it's safe to say.

Mrs. Maria Van Bommel: I've been talking about the aboriginal people, but I want to address the racialized people as well. You're doing the same sorts of things for them?

Mr. Jay Hope: Absolutely. When I first came in, we did an inventory, if you will, of our programming on this front. We have some exciting opportunities coming up even within the next 45 days, where we're going to make sure that our programs are better for racialized and aboriginal communities. We need to, first of all, make sure that they're well grounded, that the community supports them, and these are some of the programs that we're going through.

Mrs. Maria Van Bommel: Thank you very much.

The Vice-Chair (Mr. Jerry J. Ouellette): No further questions? At this time, the auditor wanted to make some comments.

Mr. Jim McCarter: I'll just be very quick. I should have mentioned it this morning, but just to put it on the record, I'd like to say that we had excellent co-operation from the ministry on this audit. In particular, I'd like to

highlight the fact that we visited seven institutions. We talked to superintendents, COs, intake people, rehab people and medical people, and they really were very forthright in talking to us. They were almost happy to see the auditor, which is a bit of surprise. If you could pass that along to your people, I would appreciate that.

Mr. Jay Hope: Thank you.

The Vice-Chair (Mr. Jerry J. Ouellette): At this time, we thank you for taking the time to be here today and answering all our questions.

Mr. Jay Hope: Could I just make one final and quick comment?

The Vice-Chair (Mr. Jerry J. Ouellette): Yes.

Mr. Jay Hope: I just want to thank the people who supported me here today. I've got two great ADMs and a great support staff; all of them haven't been mentioned. We're very excited about the future. I couldn't do what I do without them, and we certainly couldn't do what we do without the full support of our minister, Rick Bartolucci. I just wanted to say that in conclusion.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you. This committee is adjourned until 9:30 of the clock on March 25.

The committee adjourned at 1456.

CONTENTS

Wednesday 11 March 2009

2008 Annual Report, Auditor General: Section 3.02, adult institutional services.....	P-259
Ministry of Community Safety and Correctional Services	

Mr. Jay Hope, deputy minister, correctional services division
Mr. Steven Small, assistant deputy minister, adult institutional services division
Dr. Ralph Agard, assistant deputy minister, organizational effectiveness division
Mr. Kevin Cowie, assistant deputy minister, adult community corrections division

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Ms. Helena Jaczek (Oak Ridges–Markham L)

Mr. Peter Kormos (Welland ND)

Also taking part / Autres participants et participantes

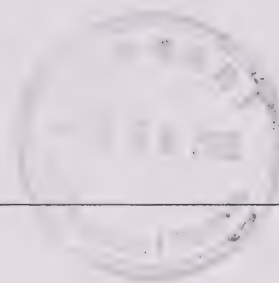
Mr. Jim McCarter, auditor general

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Lorraine Luski, research officer,
Research and Information Services



P-16

P-16

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 25 March 2009

Journal des débats (Hansard)

Mercredi 25 mars 2009

Standing Committee on Public Accounts

2008 Annual Report,
Auditor General:

Ministry of Energy
and Infrastructure

Ministry of Health
and Long-Term Care

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :

Ministère de l'Énergie et
de l'Infrastructure

Ministère de la Santé et
des Soins de longue durée

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 25 March 2009

Mercredi 25 mars 2009

The committee met at 1238 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF ENERGY
AND INFRASTRUCTUREMINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.03, Brampton Civic Hospital public-private partnership project.

The Chair (Mr. Norman W. Sterling): My name is Norman Sterling. I'm the Chair of the public accounts committee of the Legislature. We're welcoming today a group of guests. At the witness table we have Saad Rafi, Deputy Minister of Energy and Infrastructure; John Gerritsen, director, infrastructure policy and planning division; and Lindsay Allison, manager, infrastructure policy and planning division. As well, we have, I believe, Ken White, who's the supervisor of the William Osler Health Centre.

I'd like to welcome you all here. Our normal process—

Interjection.

The Chair (Mr. Norman W. Sterling): Oh, did I not say—I've never seen the deputy minister from health before, so I didn't recognize him. He seems to be here every second week. I don't know what that means, Deputy Minister, but it just means that it's not the committee's choice, it's the Auditor General's choice to have you in his report so often. Welcome, Mr. Sapsford. I believe you are going to make the opening the remarks, and then the committee will go to questions after that.

It's quite warm in this room, so if any of you feel like shedding your jackets, please do.

Please proceed, Mr. Sapsford.

Mr. Ron Sapsford: I'd like to thank the Standing Committee on Public Accounts for this opportunity to address the Office of the Auditor General's report on the Brampton Civic Hospital public-private partnership project. I will be delivering remarks for both the Ministry of Health and Long-Term Care and the Ministry of Energy and Infrastructure, and then both of my colleagues Saad Rafi, the deputy minister, and Ken White,

supervisor of William Osler, will be pleased to answer the committee's questions.

Let me state at the outset that the Ministry of Health and Long-Term Care and the Ministry of Energy and Infrastructure fully support and appreciate the work of the Auditor General to complete this report.

I'd like to start by outlining the roles and responsibilities of the various players in the context of the report that we are addressing today.

The Ministry of Health and Long-Term Care oversees and promotes the health system for the physical and mental well-being of the people of Ontario, and is responsible for the development, coordination and maintenance of comprehensive health services. This includes a balanced and integrated system of hospitals, long-term-care homes, laboratories, ambulances, community-based services and other health providers in Ontario engaged in providing timely and equitable access to health services to all the residents of the province.

In this particular case, the Ministry of Health and Long-Term Care works closely with its provincial partner, the Ministry of Energy and Infrastructure, in the implementation of capital construction projects.

The Ministry of Energy and Infrastructure's mandate includes overseeing the delivery of major capital projects for the province, such as hospitals, courthouses, roads, bridges, water systems and other public assets.

Infrastructure Ontario is a crown corporation that uses alternative financing and procurement, often referred to as AFP, to rebuild the province's infrastructure. Infrastructure Ontario also provides Ontario municipalities, universities and other eligible public bodies with access to affordable loans to build and renew local public infrastructure.

In terms of hospitals, these are complex capital projects that take a great deal of time to plan, design and build. As a consequence, I'd like to summarize the process for you.

The Ministry of Health and Long-Term Care and the Ministry of Energy and Infrastructure develop major capital projects together with hospitals. The Ministry of Health works closely with hospitals and the local health integration networks to determine the extent of the programs and services as well as space and design.

The Ministry of Energy and Infrastructure and Infrastructure Ontario oversee the delivery of the approved project, while the Ministry of Health works with the

hospital to develop the capital cost share, the local share plan and post-construction operating funding.

I'd like to outline for the committee some of the background relating to the construction of the Brampton Civic Hospital.

Brampton and the surrounding area is one of the fastest-growing regions in Ontario. The Health Services Restructuring Commission recognized in the late 1990s that the residents of the area needed a new hospital. This was to be the largest hospital building project undertaken in the province in decades: 1.2 million square feet of new construction. Delivery of a project of this size and complexity inevitably poses challenges.

The development of the new hospital in Brampton was approved in 2001 by the government of the day using public-private partnership, or P3, as it is referred to, as the model.

In 2003, William Osler Health Centre and its selected partner, the Health Infrastructure Company of Canada, entered into a project agreement to build a new hospital in Brampton, to be called the Brampton Civic Hospital and to function as one of the sites of the William Osler Health Centre.

The 608-bed, state-of-the-art Brampton Civic Hospital officially opened its doors in October 2007, with 479 beds in service. The number of beds in operation is slated to increase over the next few years.

The P3 model used to build the Brampton Civic Hospital entailed a contractual agreement between the hospital corporation and the private sector company. The private sector partners were responsible for design, construction, financing and maintenance of this new hospital project.

Under the Brampton Civic agreement, the Health Infrastructure Company of Canada would design, build and finance the new 608-bed hospital. It would also provide some non-clinical services, such as laundry, housekeeping, the transportation of patients within the hospital, food services and security, as well as maintaining and servicing the facility over a 25-year period. William Osler Health Centre agreed to pay the consortium a monthly payment over this 25-year period, beginning on the completion date of the hospital.

As the audit report points out, governments enter into alternative financing models because these models allow for the transfer of risks to parties that are best able to manage them, allowing both the public and private sectors to focus on what they do best, and as a consequence they may accelerate investment overall.

The AFP—alternative financing and procurement—approach to services is quite different from the former P3 projects. In December 2006, the government decided to exclude hospital ancillary services from alternative financing and procurement projects. By “ancillary services,” we mean laundry and patient food services, among other services. Under this policy, only the so-called hard facility, or the physical plant, which would be managed by an external entity, such as building, maintenance and engineering, is included in the AFP projects. This decision reaffirmed the government's commitment that AFP

hospital projects are about the design, construction and maintenance of hospital facilities. Services involving direct patient care are not part of AFP agreements.

Since the completion of the Brampton Civic Hospital's construction, there have been significant changes in the way that large infrastructure projects are built and financed in Ontario. In fact, most of the issues related to project procurement that were highlighted in the Auditor General's report are now being better handled by Infrastructure Ontario, which was created subsequent to the start of the construction of the Brampton Civic Hospital.

The two ministries' responses to the audit recommendations demonstrate how the current AFP process differs from the previous P3 process. For example, in recommendation 1, the audit report suggests that “The costs and benefits of all feasible procurement alternatives should be evaluated.” In effect, individual projects are evaluated against policy priorities to ensure that they are consistent with those priorities. Investment decisions are made independently of the assessment of procurement alternatives.

The Ministry of Energy and Infrastructure also conducts an initial assessment of projects to determine whether they may be suitable for alternative financing and procurement and should be assigned to Infrastructure Ontario. Infrastructure Ontario now also conducts its own value-for-money analysis at different stages of the projects. Projects that do not provide the province with value for money as an AFP are then delivered through traditional financing and procurement mechanisms.

Further, in recommendation 8, the Auditor General suggests that “All significant costs of AFPs should be assessed in the decision-making process.” Currently, under the AFP process, all alternative financing and procurement costs are considered, including all transaction costs, financing costs and contingencies. This falls under the assessment of the procurement alternatives process. Among the costs considered, for example, are private sector financing, private sector contingencies, bid costs, special-purpose-vehicle fees and advisory fees.

Finally, in recommendation 12, the report suggests that “To ensure transparency, Infrastructure Ontario should establish and communicate a policy on disclosure of AFP information.” Infrastructure Ontario follows a disclosure policy consistently on all projects. Requests for qualifications are posted on MERX, which is the government's electronic tendering service, and all requests for proposals, project agreements and value-for-money reports are posted for public view on Infrastructure Ontario's website.

In more general terms, alternative financing and procurement is a method of delivering large, complex infrastructure projects that leverages private sector resources and expertise. Under AFPs, substantial risks associated with design, building, financing, operation and maintenance are transferred to the private sector, which commits to deliver projects on time and on budget.

1250

All of the projects undertaken by Infrastructure Ontario using the AFP methodology are guided by five key

principles: public interest is paramount; value for money must be demonstrable; appropriate public control and ownership must be preserved; accountability must be maintained; and all processes must be fair, transparent and efficient.

All of the hospitals built using AFP are publicly owned, publicly operated and publicly accountable. The province is getting best-value bids by looking at options to transfer the risks associated with the building project itself.

Alternative financing and procurement entrenches the obligation of the private sector to deliver hospital projects on time and on budget, and protects the public interest in significant ways. For instance, under the AFP model, most construction delays and cost overruns are at the expense of the private sector. If there are delays related to incomplete or uncoordinated drawings, the private sector carries the cost of the delay. Only if value for money is achievable will AFPs be used to deliver an infrastructure project. Value for money is determined by directly comparing the estimated cost of delivering the project under the traditional delivery method versus the cost of delivering it under AFP. The cost difference is the estimated value for money.

Infrastructure Ontario uses a value-for-money methodology that has been reviewed and judged sound by major accounting firms and Ontario's internal auditor. As well, the government of Canada's public-private partnership screening guidelines list Infrastructure Ontario's value-for-money assessment guide, which is available on its website, as its preferred tool for determining value for money.

The assessment of procurement alternatives takes place before a project may be assigned to Infrastructure Ontario, and value-for-money assessments are conducted at three stages during the AFP procurement process: prior to releasing the request for proposals, prior to awarding the contract and immediately following the financial close.

As we all know, quantifying risks based on future events is not an exact science. Infrastructure Ontario uses industry experts, value-for-money advisers and historical data to quantify the probability of the risk occurring and the related cost impact. Throughout the process, all participants—bidders, Infrastructure Ontario and the hospital—are bound by a clear project governance structure that manages and monitors key project approvals and the related decision-making process. Infrastructure Ontario has a rigorous internal procurement policy that is used for hiring advisers, and all contracts are fixed-price arrangements. Procedures are in place to review, document and follow up on lessons learned from project to project. Furthermore, management continuously monitors project-related issues through various working groups and project reporting to ensure the timely resolution of those issues.

Finally, Infrastructure Ontario is committed to transparency. Infrastructure Ontario posts all key documents related to its projects on its website, including the request

for proposals and the project agreement. Methodologies related to value for money and risk transfer are also freely available.

Once again, thank you for this opportunity to address the Auditor General's report on the Brampton Civic Hospital public-private partnership project. Now my colleagues and I would be pleased to answer the members' questions.

The Chair (Mr. Norman W. Sterling): Thank you very much. Perhaps you could clarify for us off the top—because we had some discussion in our briefing session about this—the relationship between the hospital and the corporation that they are contracting with. As I understand it, the hospital owns the land and the buildings where it stands.

Mr. Ron Sapsford: Yes.

The Chair (Mr. Norman W. Sterling): The contract between the provider of the services and the financing and the hospital, what is the nature of that contract? Is it a lease? Is there a lease portion to it?

Mr. Ron Sapsford: No, the hospital is the owner. There are two pieces to it, I suppose. The contract relates to the construction of the land and buildings and then the operation of the facility over a 25-year period. The private company is providing the staff and support to those very specific services that were included in the project agreement as well as a whole series of specifications around service levels and ongoing discussion of quality measures and provisions for volumes. Mr. White can probably give you more detail, but that's the nature of, firstly, the construction of the hospital and, secondly, the operational aspects covering the 25-year period.

The Chair (Mr. Norman W. Sterling): So there's no cross-lease or -leases in that document?

Mr. Ken White: Actually, I have with me our general counsel, who is also a vice-president of the hospital. He was there and very involved in negotiating the contract. He's there yet monitoring the contract, so if you'd like to have him come forward and give you a description, I'd be happy to ask him to do that. Would you like that?

The Chair (Mr. Norman W. Sterling): Yes.

Mr. Ian Marshall: My name is Ian Marshall. I'm vice-president and general counsel at William Osler Health Centre and have had the pleasure of being involved in this transaction since the preferred-bidder stage, so I am familiar with it. I hope I can provide just a high-level view.

There's a prime agreement between the hospital corporation and a special-purpose project company which we call the project agreement, which envelops the provision of the facility. It's a contract for design, build, finance and maintain, together with the ancillary services that the deputy minister referred to in his remarks.

There are a number of underlying agreements to this project agreement between various entities to make the whole transaction work. One of those is, in fact, a lease between the hospital corporation and the project company, this special-purpose vehicle through which all

services in the facility are provided, and then there's a leaseback to the hospital corporation.

The hospital, being the owner of the fee simple and the land, is by virtue of that—and this is a matter of legal opinion—the owner of the fixture built on the premises, which is the facility. But as I understand it, this lease was provided because it provides to the project company, for the lender's satisfaction, some interest in the facility that they've in fact lent all the money for and constructed and have not yet been paid for until the final payment is made over 25 years.

The Chair (Mr. Norman W. Sterling): So would that allow them to declare capital costs on the depreciation of the building over the 25 years?

Mr. Ian Marshall: Not being an accountant, I don't feel qualified to answer that question, I'm afraid.

The Chair (Mr. Norman W. Sterling): So it's a lease-out for 25 years, and then—

Mr. Ian Marshall: And there's a leaseback.

The Chair (Mr. Norman W. Sterling): A leaseback? What does the leaseback do?

Mr. Ian Marshall: It provides the hospital corporation with its right to occupy the premises, short of its own default.

The Chair (Mr. Norman W. Sterling): So instead of transferring the ownership to the private corporation and then buying it back for \$1 after 25 years, you basically have done it with a lease and a leaseback?

Mr. Ian Marshall: Yes.

The Chair (Mr. Norman W. Sterling): Okay. I think that clarifies it.

In terms of the payment that goes to the corporation, what is embodied in that payment? Is it specified or is it one lump sum?

Mr. Ian Marshall: If I may continue, in the aggregate it's a lump sum we call the unitary charge, the unitary payment, all calculated in accordance with a 200-page financial model. There are a number of line items in that model which break out all of the various components that comprise the unitary charge, whether they be for the construction of the facility, the financing costs associated with it or the services that are being provided on a day-to-day basis to support the clinical operations of the hospital.

1300

The Chair (Mr. Norman W. Sterling): Is there a financing charge identified in that agreement on the capital?

Mr. Ian Marshall: Yes, there is, and the summary page of that model is a publicly available document on request.

The Chair (Mr. Norman W. Sterling): And what is the interest rate on that capital?

Mr. Ian Marshall: I believe it's 6.35%. I'll just double-check that for you.

The Chair (Mr. Norman W. Sterling): That's 6.73%?

Mr. Jim McCarter: It might be 6.7%, but it's in that range.

The Chair (Mr. Norman W. Sterling): That's fine as far as I'm concerned in terms of understanding the groundwork.

France, did you have some questions?

M^{me} France Gélinas: Yes. The first one will go to the Deputy Minister of Health. One of the things that strikes me when we talk to people who support P3 is that they will say it comes on time and on budget. Well, it kind of leads everybody to believe that the traditional way of procurement didn't come on time or didn't come on budget; otherwise, we wouldn't make such a big deal of the fact that it comes on time and on budget when it's P3. Has the Ministry of Health ever conducted a review of traditionally procured hospital projects, let's say over the last 20 years, to see how many of them were on time and on budget?

Mr. Ron Sapsford: Not to my knowledge. Not over such a period of time. I think there have been in the ministry's experience a variety of projects that have not come in on time and on budget, and of course each project is different. Part of that factors into issues about which kind of funding model and how one handles risk, but whether it's alternative financing or whether it's a traditional method, there has to be fairly aggressive management of these projects to make sure that they do come in on time and on budget.

M^{me} France Gélinas: I would agree. They have to be well prepared ahead—

Mr. Ron Sapsford: Yes. One doesn't exclude the other.

M^{me} France Gélinas: But it still leaves me a little bit uneasy, the fact that it's like P3/AFP equals on time and on budget, when really we could say the same about traditional procurement equals on time and on budget; we just don't know. I mean, everybody will remember the one or two that went off the rails and caused you a lot of headaches, but what about all of the other ones that did come on time and on budget? Right now, you're telling me that we certainly don't have a solid body of evidence in Ontario one way or another.

Mr. Ron Sapsford: Perhaps my colleague can also help with this. I don't think that's the only reason. It's one factor contributing to why one would use alternative financing, and I think the way the current policy is constructed, it's limited to fairly large-scale projects that tend to be complicated by definition; and the larger the project or the more complicated it is, there's more risk associated with those sorts of projects going off the rails or having more complexity. So I think the choice is not just a flat statement: "It's about on time, on budget." I think there are other financing issues that factor into that kind of a decision as well.

M^{me} France Gélinas: Okay, thank you.

My next question is for Mr. Rafi. This was the first time today that I actually heard the cost of borrowing of 6.35%, but we're not too sure if it's 6.7%-some?

Mr. Ian Marshall: I'd like to clarify and correct slightly the answer I earlier gave. The senior debt interest rate under the project agreement—the benchmark bond

rate used was 4.95%. The credit spread was 1.35%, for a total senior debt coupon rate of 6.3%.

M^{me} France Gélinas: Okay. It's basically the first time I got such a clear answer, so I'll thank you. But in general, when we ask the ministry for the cost of borrowing, like the part that has to do with the cost of financing that the ministry is paying for, we have a hard time. When we ask your ministry, why is it that you won't reveal the cost of financing for specific projects?

Mr. Saad Rafi: First off, I should say that the cost of financing for projects is going to be project-specific and consortium-member-specific. Depending on their credit rating, depending on their consortium structure and depending on their ability to finance the project, that rate will vary depending on the consortium and how they can get committed financing. In various markets like today, it's going to be different than it was six months ago, than it was 12 months ago, than it was some years ago, and I suspect the same into the future.

One of the other aspects to how I would answer your question would be to say that that becomes the proprietary information of the consortium as to what their borrowing rate is and that wouldn't be revealed across bidders or within a bidder. However, the overall value-for-money number and other redacted elements of the RFP and the project agreement are available after the award of the particular project or contract. So the disclosure policy that my colleague Deputy Sapsford referred to in his remarks is trying to make as available as possible throughout the process, from the posting of RFQ material, RFP material and then the redacted version of the contract, as much information as possible to allow for as much transparency without impacting the proprietary information of a bidder.

M^{me} France Gélinas: I'm not sure if I agree with your interpretation of the proprietary thing of a bidder, but if you're not willing to share it project by project, would you be willing to share the average cost of financing that are included in those P3/AFP's?

Mr. Saad Rafi: I guess I'd have to take that under consideration. I'm not sure what that's providing you in the way of information. It would be a data point that would be taken out of context, to be perfectly honest. Providing an average of a whole host of differing projects, design-build-finance versus design-build-finance-maintain, size of project, consortium membership, ability to borrow and other covenants that they may have, depending on the nature of the consortium, would create a bit of disinformation that I feel wouldn't provide a lot of value.

M^{me} France Gélinas: I would certainly be willing to do my own interpretation of the numbers you would be willing to share, but as I said, I would like you to consider sharing with this group the average cost of financing, and if you want to break it up by build-and-manage or plan-build, you can break it up in whichever way you feel would give more valid information. But it would surely be something that I, as a committee member, would like to have.

My next question has to do—

Mr. Saad Rafi: May I just address that, if you don't mind, please? This is Infrastructure Ontario policy, so that's their board's decision. But currently my understanding, and I certainly stand to be corrected, is that their policy, as part of the disclosure policy, which is on their website, is not to disclose that information.

M^{me} France Gélinas: Yes. I understand project-by-project. But the ministry point of view: You could share it as an average and lump together whichever projects you figure are good to be lumped together to give us an average so that you respect this fiduciary confidentiality that seems to be so important, but at the same time you come forward with some information as to how much the people in Ontario are paying for the financing of those deals.

Mr. Saad Rafi: Okay. I guess we'll have to take it under consideration.

M^{me} France Gélinas: My next question has to do with the credit crisis that is presently going on in Ontario. Have it had any impact on those AFP projects?

1310

Mr. Saad Rafi: Sorry; I wasn't listening to your question. I was just trying to find the reference where I can point to a few projects since the fall of 2008, so the approximate time where we saw some dramatic changes in the credit markets. There have been three IO projects that have come to financial and commercial close, so I think the overall statement is that, within private equity and infrastructure funds, there is a tightening of credit and credit facilities, as you're suggesting; no doubt about that. But in this credit market, with infrastructure projects there is a flight to quality, and that is defined by the nature and the support or the sponsor of projects, government infrastructure sponsors. Projects are getting capital and are getting capital interest from a wide array of financiers and financing institutions. One indication of that would be, I believe, the three projects that have closed successfully since the fall for Infrastructure Ontario.

M^{me} France Gélinas: Do you know if the ministry has produced a market assessment that addresses the economic crisis? If you have, could you share this with the committee as well?

Mr. Saad Rafi: The ministry has not produced a document that assesses the financial crisis, which is a fairly broad-ranging set of criteria. Infrastructure Ontario, as an agency, does have a project-staging approach, where they are looking at weekly credit conditions. They are examining how they evaluate financing and committed financing in their project agreements and RFP processes, such that it is their job, since they're the project procurement agent for the government, to monitor credit and credit availability.

The change in the markets has been so rapid over the last several months that an assessment today is not the same assessment tomorrow. Witness the comments made by the governor of the Bank of Canada. One week his view, based on a consensus assessment of his, I think, economists beyond repute, was that there would be a

quick recovery. The week after, he's having to re-examine and perhaps restate that position. So providing analysis and assessments in a point of time is not advantageous, in Infrastructure Ontario's view.

M^{me} France G  linas: Okay. When the ministry decides to send a project to Infrastructure Ontario, it is for having it go under the alternate financing and procurement model. But we understand that Infrastructure Ontario does an analysis and decides if this is the right way to go. Could you tell us how many projects have been referred to Infrastructure Ontario where Infrastructure Ontario sent them back to the ministry to be done in the traditional way?

Mr. Saad Rafi: If I might just clarify a couple of things you said, and then try to address your question, with the Ministry of Energy and Infrastructure, we would examine several criteria before determining whether a project should be included in an AFP structure. Among those criteria under examination would be the amount of effective risk transfer that can take place. Is there an opportunity for innovation to be brought forward? But, most important, risk transfer and potential size of the project: Is there a large enough volume or size of project that it will get financing interest and it will get consortium interest? So in a design-build-finance model, you're looking at various-sized projects: \$50 million-plus and around \$100 million.

In addition to that, there are several other criteria that are looked at, from what types of risks, what types of legislative and regulatory constraints may apply that wouldn't allow for an AFP. Are there other conditions that have to be assessed?

When those projects are provided to Infrastructure Ontario, as you indicated, value-for-money assessments are done, as my colleague mentioned, at three stages.

I believe there were two in recent occurrences that Infrastructure Ontario determined, at the value-for-money stage, didn't warrant an AFP model. One was Quinte Health Care, where there were two projects, I believe, Belleville and Trenton, and the Trenton project did not meet the value-for-money test sufficiently. So it was suggested that it be done through a traditional procurement-and-build method.

I believe a significant reconstruction at the Ottawa General Hospital was also deemed not to have value for money. I believe the reasoning for that was related more to the nature of the reconstruction across various aspects of the Ottawa General Hospital. It wasn't easily put together in a transaction, is my understanding.

So, yes, and those were the two examples.

M^{me} France G  linas: Back to the deputy: Right now, the hospital in Brampton sits at 479 beds, plus the 27 beds that you recently announced for, I think, pediatrics and ICU. Are we still on target for 2011 to be at 608 beds?

Mr. Ron Sapsford: Yes, and from a planning perspective, there were additional beds to be added in 2009-10, 2010-11, and then the final ones post-2011. For upgrading services, it's a discussion that goes on between

the hospital and the ministry taking in a number of factors: the hospital's ability to provide the staff necessary to support the expansion; are the growth estimates that were originally projected in fact taking place, so is there a continuing need? That enters the discussion of volume of services, be it in-patient or out-patient or emerg. The third consideration is the financial capacity of the ministry to support it. Each year we go through our fiscal projections and make provisions through the budget process.

That process is underway now for 2009-10, and we're in discussion with the hospital about the amount of expansion for the coming year.

Mr. Saad Rafi: May I? I just want to elaborate on a question that M^{me} G  linas had. I might have said two hospitals had closed since the fall. I just wanted to be clear. In September 2008, Woodstock General Hospital closed, which was a design-build-finance-maintain; Royal Victoria Hospital in February of this year in Barrie; and also in February of this year Lakeridge Health in Oshawa.

M^{me} France G  linas: Okay.

Mr. Ron Sapsford: Just to be clear on the beds, in 2009-10 we're working with the number—527 beds is the target that we're planning with.

M^{me} France G  linas: Okay, and you're still on target for 527 beds?

Mr. Ron Sapsford: That's still the discussion, yes.

M^{me} France G  linas: Given the information you've just given, Mr. Rafi, of the projects that exist—and I forget the numbers; I know the number of projects that have gone under P3 or AFP is high—none of them are running into problems because the private partnership is having problems with financing or credit?

Mr. Saad Rafi: In the AFP model, part of the requirement is providing committed financing at the point of commercial close. Getting from commercial close to financial close can take a number of weeks or sometimes a number of months. In a credit market like today, it could take a number of months, meaning two or three months, as opposed to six to eight weeks. But projects thus far have all come to fruition and have come to closure based on the ability of those proponents to secure financing.

M^{me} France G  linas: Okay.

The Chair (Mr. Norman W. Sterling): Mrs. Sandals.

Mrs. Liz Sandals: Yes, a few questions: One of the things that I've noticed is if the local Guelph branch of the Ontario Health Coalition—so I think this is a question for Deputy—

Mr. Ron Sapsford: Sapsford.

Mrs. Liz Sandals: —Sapsford; I'm thinking Deputy Ron. Anyway, when I have the Ontario Health Coalition come to visit me, or the CUPE representatives from the local hospital, which are pretty much interchangeable, their concern around a P3 label seems to be that patient services are being farmed out as part of the contract. We've talked about ancillary services. You mentioned in your opening remarks that with the Brampton Civic

Hospital some of the ancillary services are part of the P3 contract.

Just to be absolutely clear, when we look at the new AFP models, other than the design-build-maintain part of it, is there anything that's ancillary services that is being bundled into the AFP models?

Mr. Ron Sapsford: The short answer would be no. In December 2006, the ministry published for hospitals the new policy guidelines around that—I think the clerk is handing out a copy for your information as we speak—to specify those services which could be included inside the agreement versus those that had to be maintained under the hospital's direct control. All the ongoing day-to-day management of the facility—heat, light, power, walls, electricity, lighting, as well as things like security parking, which are always outside—are allowable. I say “allowable,” not mandatory; the hospital may consider including them. Then, what we've called “soft facility services,” things like laundry, linen, portering, house-keeping, food services and some of the support services in the hospital, are excluded from these agreements. That took effect in 2006.

1320

Mrs. Liz Sandals: My sense, when we see design-build-maintain projects coming forward, is that the “maintain” isn't custodial services, which I think sometimes people assume is what “maintain” means, but means you're responsible for making sure that the floor covering stands up for 25 years. You might put in a really high-quality terrazzo floor—the proponent might choose a lower-quality floor, but if the lower-quality floor doesn't stand up, then they would be responsible for replacing it. That's my understanding—whichever of you it makes sense to answer, go ahead—but that's my sense of what “maintain” means, that the building has to be kept in good condition, but it isn't caretaking.

Mr. Ron Sapsford: Well, it's both. It is the day-to-day caretaking, but also, as you've suggested, and perhaps more importantly, maintaining the standard of the physical plant over the period of the agreement.

Mrs. Liz Sandals: Okay, that was what I was getting out of it that “maintain,” when that was part of the contract, was primarily to do with making sure that the building is in good physical condition for the life of the contract.

Mr. Ron Sapsford: That speaks to the issue of life cycle, which is an innate part of these long-term agreements.

Mrs. Liz Sandals: As I say, that's much different from the concerns that have been raised with me by some of the people who were very concerned about the P3 model. It doesn't seem to be a part of the AFP model.

One of the things that I've noticed, sitting in the House for the last five and a half years, is that there have often been questions around hospital projects that started off where maybe the ministry committed to paying, I don't know, 60% or 70%, and then there's a cost overrun, and you get into an argument about who will pay the cost overrun or whether the ministry is going to end up paying

80% or 90%. I notice in the material we've received that you have now gone to a share which is fixed at 90-10—90% ministry, 10% local. I wonder if you could talk about (a) the rationale for that and (b) the benefit of that.

Mr. Ron Sapsford: Sure. The ministry, over a number of years, has had different funding ratios for capital projects—by that, I mean the bricks and mortar part of it—as well as funding policy around the equipment that's used, furnishings and equipment. In June 2006, the government changed the policy that was in place. Over the years, the share methods have varied from 50-50 to 80-20, and in some cases the ministry has paid 100% of costs, mostly related to mental health or very specialized facilities. Irrespective of what the ratio is, the smaller proportion has always fallen to the hospital, and hence its local community, to raise that amount of money. You can appreciate that in a 50-50 project, which was exclusively used for new hospital construction, 50% of the total capital cost is a lot more for a local community to consider paying for than would be 10% of the capital cost, which is currently the government's policy since 2006; so 90% province, 10% local community. I think the rationale is pretty straightforward. As the size of these projects grew, the costs associated with full rebuild of hospitals and replacement of infrastructure grew in total cost, the ability of local communities to raise a large amount—20%, 30%, 40% of it—became pretty difficult, and the government decided that it was more important to replace the infrastructure and to reconsider the funding share model and, consequently, changed it to 90-10. So the fundraising burden on a local community is substantially less, and I would argue it's easier for hospitals, then, to put together their local share plan based on that.

The other change at the same time, however, was that the equipment purchases would be funded 100% by the hospital, where before in new capital construction the ministry would pick up a significant part of new equipment. So there was an adjustment in the shares between construction versus capital equipment, but in the analysis that the ministry did of the projects—we actually did a comparison of the change in the policy to understand what the impact on local share would be—in every case, the change in policy benefited the local community inasmuch as they had to raise less money in the new policy approach than in the previous one that had been in place.

Mrs. Liz Sandals: My observation would be that community fundraising is often more easily done when people can point to the MRI or the X-ray or the whatever it is and they can sort of say, “I furnished this room” or “I contributed to the equipment in this lab.” People feel comfortable with being able to point to having contributed to equipment.

One of the concerns that the auditor raised in his report was the whole issue of value for money and how that's determined. Perhaps this is more for Deputy Saad, but—I'm doing it again; I've got Ron and Saad here—Deputy Rafi. There's this concern that the auditor has

highlighted about value for money that was done in a couple of different time frames and seems to have different things in and different things out. I think I'm understanding that Infrastructure Ontario has come up with a process that is being used consistently. I wonder if you could explain a bit to us about what all components it is that you're actually looking at when you do value-for-money assessments so that there is some consistency.

Mr. Saad Rafi: As Deputy Sapsford mentioned as well, the amount of risk transfer is clearly not scientific but has been brought to some level of discipline, and the consistency of application that Infrastructure Ontario has applied, and has published in *Assessing Value For Money: A Guide To Infrastructure Ontario's Methodology*, available on their website, is that they look at the cost of borrowing for the consortium, the cost of borrowing for government, they look at the base costs of the construction being the same for the public sector component, the traditional, and under the AFP model so that there isn't any suggestion that one is inherently lower; the cost to construct should be the same. As I mentioned—

Mrs. Liz Sandals: So the bricks are the bricks. It doesn't matter who buys them.

Mr. Saad Rafi: Yes, and then the amount of risk premium that is retained by government under a traditional design-bid-build versus an AFP model is also assessed. Now, that is assessed based on a risk register for hospitals that has been developed with input from and in consultation with a firm called Altus Helyar, a very well-known cost consulting or property surveyor—whatever you want to call them—firm that advises Infrastructure Ontario, I'm told, that developed the risk register. Risk assessment is done on probability and severity of risk and then measured against the capital costs, therefore creating a value-for-risk transfer. So an assessment is made, risk category by risk category, for each specific project, determining who will retain the risk, and then looking at the probability and the severity of that risk.

1330

An example that is perhaps somewhat simple: The probability of it raining is high; the severity of that rain is low. The probability of a hurricane may be low, but the severity may be high. So you go through the risk register for each example, and I don't mean to use such a facile example to denigrate the register. It's quite a sophisticated document.

In addition to that, and as a result of experience from other projects, Infrastructure Ontario will also include the transaction costs and the advisers' costs associated with that project to get to the total cost, comparing the public sector or the traditional method with the alternative financing, the current method. If the second is less than the first, then there is a positive value-for-money.

Mrs. Liz Sandals: I take it from your examples of places where IO has rejected it—and I'm assuming that MEI rejects lots of projects and doesn't even send them to IO. You look at them and say that conventional tender-

ing makes more sense. So it would be reasonably large projects that you would send over to IO for evaluation. But if I hear you correctly, things which are quite large would be more inherently risky, and also sometimes the complexity and the uniqueness of one-off, weird things—it sounds like you may treat them a little bit differently.

Mr. Saad Rafi: Yes. As you've suggested, the government supports a myriad of capital projects that are maintenance projects, rehabilitation—they may be small in size relative to the particular asset class that is under consideration. It also, though, does very large capital construction projects that don't lend themselves to an alternative financing and procurement model. As you're suggesting, it isn't just the size of the project; it is the risk associated with the project: Can the public interest be properly protected? Is there a likely, demonstrable value-for-money opportunity? Will public control be preserved for the project when it's concluded and right through its life cycle? Accountability must be maintained and all processes must be fair, transparent and efficient. Then you get into more sophisticated and more detailed assessments that have to do with innovation, scope, program definition, etc.

Many criteria are used to assess the viability of an AFP model versus a traditional build. The majority of infrastructure projects in the province are not AFP, even though there are several in play now. There is a considerable amount of spend; for example, on average, almost \$8 billion in the last four years has been spent on infrastructure. That represents a lot of projects and a lot of planning for projects.

Mrs. Liz Sandals: Thank you. Do we have more time this round?

The Chair (Mr. Norman W. Sterling): Yes.

Mrs. Liz Sandals: I'll turn it over to my colleague Mr. McNeely.

Mr. Phil McNeely: I'm just looking at the Auditor General's report, which states that the planning for the installation of medical and IT equipment was not integrated with the construction process for the Brampton hospital and indicated a \$63-million overrun, which is about 13%. I was just wondering: Going into the new 3Ps, did we go light on consulting engineers and architects and defining the project? How have we dealt with this on other projects?

Mr. Saad Rafi: With respect to equipment?

Mr. Phil McNeely: There were \$63 million in additional costs, primarily from modifications for equipment installation, that the building wasn't suited for the equipment that the doctors wanted to buy.

Mr. Saad Rafi: We'll do it in parts, if that's okay.

Mr. Ron Sapsford: The auditor's comment was specifically about Brampton, and I'll let my colleague speak about how it has shifted as a result.

In this case, there was a delay in decision-making around the capital equipment itself. There was a variety of reasons for that, mostly to do with the hospital and their slowness in making those decisions. As a consequence, the building was going up, and when final decisions were made about equipment, they had to go back

and redo some parts of the construction, undo what was done, in order to accommodate the new equipment. That's what led to the variance in the cost that the Auditor General brought forward in the report.

In the AFP approach, the correction that has been made is that all these specifications—and I can let Saad speak to that—are now part of the upfront consideration, so that when the building is constructed, the major equipment decisions have already been made and are incorporated into the agreement.

Mr. Phil McNeely: What additional efforts are made by IO now? When you're contemplating a project, you're looking at value-for-money and doing that analysis, how much has that changed since 2003 when you're contemplating projects? How much additional effort is being put in to make sure that the dollars that are being set up—and is that effective?

Mr. Saad Rafi: Several elements have been improved upon and evolved based on lessons learned, not just on the project that was examined by the auditor but on projects that have taken place in other jurisdictions, predominantly the United Kingdom, which is the leader in, in their case, PFI, and in Ontario's case, alternative financing and procurement.

The project specifications that the hospital is required to have in place are critical up front, because they determine what elements will be required of the bidder, and that goes right into the RFP documents. So there's a clear understanding by bidders as to what is at play and what they're bidding on, which also puts in a very definitive and high set of discipline once the project proponent has been selected, such that the changes in scope have a great deal of significance and are quite limited in the opportunity to change scope.

You have to understand what you need in the hospital. That is a key requirement and a key role that the Ministry of Health plays with its transfer payment partner, the hospital, before an RFP is issued. I think that's one significant change, which limits scope changes during construction, keeps the costs on budget and allows the contractor to deliver on the time frame that they had bid on. Therefore, it doesn't allow for cost changes throughout the construction period. I think that was one of the findings that the auditor and his staff found on WOHC.

The second piece is, the value-for-money test is more rigorously applied, and applied more often, as also mentioned by my colleague, at three different stages. Prior to release of the RFP: That's critical because it relates to the previous point I made, in that if the project scope, the project specifications, have been nailed down, then you have the ability to make cost assumptions and cost estimation. But it is only an estimate, as you well know, at that stage, because you haven't received bids and you don't have a competitive tension to understand how others would value the engineering and the design requirements for that particular facility. Nevertheless, it gives the engineering firm that is the adviser on the project with the hospital, along with its architectural adviser, an opportunity to do a cost estimate and therefore generate a value-for-money. If that value-for-money

is positive, the Infrastructure Ontario board then gives the go-ahead on the design-build-finance-maintain project to issue the RFP.

At the point of bids coming in, my understanding is that a value-for-money is done on the lead bidder. Again, it's getting close to final now, and that value-for-money is getting more fine-tuned.

Then, just at financial close, when the rates are set for the capital costs and the borrowing costs—it's almost a very final bid—another value-for-money is done. So you're getting more and more specificity in the value-for-money.

Those things are key because it demonstrates whether you're going to have a project that will lead to success, because you are contracting with that consortium to deliver on the very things that they have bid on.

I would say that those are the few things that have changed, and I'm sure there are processes in the ministry as well.

1340

Mr. Ron Sapsford: I think because of the substantial investment that is being made, there are a number of projects, as was indicated.

Partly as a result of the auditor's work, we've also looked at other processes. For instance, in that specification process up front before you go to tender, there's the notion that every time we do a hospital we don't have to start over again. We've spent a fair amount of time with our colleagues developing what are called "generic output specifications" so that if you're going to develop a new-build hospital, there are some generic specifications that apply consistently that save a fair amount of time in the consulting and design phases, because they're now built right into the specifications of all like projects right up front. So that's a substantial improvement in the overall process that's been incorporated as well.

I think the auditor also alluded, in the case of the Brampton Civic Hospital, to associated operating issues with taking on a large, brand-new building. Part of the rationale for the appointment of Mr. White as supervisor was related to the complexity of finishing a very large construction project and moving into it while maintaining quality patient services. So partly through Mr. White's work, we're also looking at a process for the future so that as new projects complete, we're developing a much more consistent approach to assist hospitals in moving from old to new facilities and managing in a much more anticipatory and consistent way of taking on and commissioning new hospital buildings. That's another addition to the work the ministry has been doing as a result of recommendations that have come forward.

Mr. Phil McNeely: I was used to the traditional approach, where you designed and the whole thing went to tender. I see that you got docked down to just two final proposals on this hospital. Probably part of that was that the soft facility management services were included, and that became a bigger part than the construction, actually, by looking at the figures, in any case. You made the decision in 2006 to take the soft facility management

services out of the AFP design-build-finance-maintain projects. Why did you do that and what are your comments on that—that you have removed those soft facility management services?

Mr. Ron Sapsford: The policy was changed in 2006, so I think every other large project in fact is only based on hard services.

The rationale I think was the second part of your question. I think as a package, really, the prime rationale for alternate financing and procurement is around the design and construction. It seems to me that's the risk that we're trying to manage. It seems to me that's where the benefit comes from. So to continue to move further with larger and larger parts of the hospital's operation was the question mark, and on review the government decided not to pursue that. As my colleague said, in other countries, in Britain, they have different models where large parts of the hospital operation in fact are part of that. I think because of the operating difficulties that can arise, the decision was made to exclude it from future projects.

Mr. Phil McNeely: Has this change in the process been helpful to managing the projects better from Infrastructure Ontario's perspective and from your perspective?

Mr. Ron Sapsford: From my perspective first, it simplifies the size and shape of the project. Mr. White can talk about the contractual agreement that's necessary in order to manage a very large service agreement in terms of housekeeping, laundry and so forth. Each of those areas requires pages and pages of contractual understanding in order to get the continued value for money. So on the management side of these agreements over a long period of time, leaving those services out simplifies substantially the contractual understandings and agreements that have to be put into place.

Mr. Ken White: I would say amen to that, actually. Having been kind of parachuted in when the hospital had basically three months under its belt, as far as the move was concerned—moving onto a greenfield site is complicated enough, and these contractual arrangements, as my colleague Ian referred to them, are very detailed documents that, first of all, I think are difficult for folks to understand, and it's even more difficult to figure out what measures you want to use to make sure that you're getting the level of service that you need. As Ron says, simplifying these projects is a great step forward, so I think the work that IO and the Ministry of Health have done on that front is fabulous.

I would add one thing here, though, and that is that the life cycle piece of this puzzle that the IO projects offer, which I think is really an important piece, is really something I don't hear people talking about. For investors to want to put their money into these things, they have to be sure their money is safe, hence the life cycle component.

I've been running hospitals for a lot of years. The ministry finds it tough to fund the whole inflationary piece, so usually the squeeze ends up on the maintenance

side of the hospital. To give you an example, very often what we've seen in our aged infrastructure in Ontario, in hospitals, has been the evidence of maintenance deficiencies. That's a factor as far as sustaining what we have, so that's a very important point. Another one is that if people, including donors, are going to invest in these places, they want to see their investment safe and housed in a place that they'd like to see it housed in. To give you an example, we met last summer with a couple of chaps who were contemplating a large donation to the hospitals, and one of the comments that was made was, "We don't like hospitals. They're dirty and they're not well maintained." I was able to say to them, "Well, this one will be very well maintained, because it's got the life cycle costs built right into the arrangement." We think that was the tipping point, actually, for those donors. Those two donors actually gave \$10 million to the hospital. So I think there's a very important investment side of this. I'd hate to see us confuse the importance of the life cycle piece—I think somebody raised that earlier—with the whole confusing and complex side of putting the soft services into these arrangements.

Mr. Phil McNeely: Thank you. That's all I have.

The Chair (Mr. Norman W. Sterling): Could I ask a couple questions of Mr. Marshall again? I'm still not clear with regard to the borrowing on this contract or in this transaction. As I understand it, THICC is given 6.3% financing on a certain portion of the overall project. It may not be 100%; it could be 80% or whatever number.

Mr. Ian Marshall: There is a debt and equity component also.

The Chair (Mr. Norman W. Sterling): Right. And is that public?

Mr. Ian Marshall: I believe that is on the summary sheet of the model.

The Chair (Mr. Norman W. Sterling): Okay. So the 6.3%—was that a negotiated amount? When did that amount—

Mr. Ian Marshall: I'm glad you're asking that question, because one of the things that was done with the foresight of the Ministry of Health at the time, which conceived the scheme of the two pilot projects to go forward, was that we didn't want to be paying too much in Ontario for these hospitals. At the time the proposals came in, they had to provide a representative credit term sheet. So they undertook, at that time, to provide a benchmark interpolated rate on government of Canada bonds and a credit spread of the specified amount I referred to earlier, which was 1.35%, and that if they couldn't meet that credit spread—and this was new in the market at the time, at least in Ontario—then there was an opportunity to walk away.

1350

Now, I grant you, there would have been some costs on both sides, but it was their obligation to raise financing the way they promised in the first instance and not to go above that cost, and they did.

The Chair (Mr. Norman W. Sterling): Do you know whether or not they can claim capital cost allowance under their 25-year lease?

Mr. Ian Marshall: I don't know. I'd rather defer to some of the accountants in the room on that, if I could.

Mr. Jim McCarter: We actually chatted about that. We don't know either whether the corporation is claiming capital cost allowance on the hospital or not. It gets back to the issue of, do they actually own the facility or do they not own the facility? We're not sure.

The Chair (Mr. Norman W. Sterling): Would the Ministry of Health or the Ministry of Infrastructure not know that? It's got to be a matter of law or tax policy.

Mr. Saad Rafi: I think it's more a matter of accounting policy in terms of what's generally accepted for a capital lease, and I have to defer to Jim on that.

I think your earlier point at the outset, Chair—or maybe it was Mr. Marshall who said that the ability to have a leasehold arrangement for the building is the method of financeability. The other covenant that the lender is looking for is, who's behind the project? That's the government, and sometimes there's a funding letter or just a simple statement in the request for proposal.

Now, how the consortium structures itself in a special-purpose vehicle and then how it has its own tax treatment and where it's domiciled—Delaware, Switzerland, Toronto—is not of material perspective to the evaluation. Rather, the competitive aspects of this and their committed financing and their total cost for the project are of greater interest and applicability to the province.

It's sometimes very difficult, as you will know, to break down an SPV and to understand where the tax treatment is done. These organizations are quite sophisticated in that regard.

The Chair (Mr. Norman W. Sterling): But if I was negotiating a \$500-million contract, I'm sure I would know on my side whether they could write off or have capital cost appreciation, because the interest rate you accepted, which is 6.3%, I find extremely high, if they can in fact take capital cost appreciation. Given bond rates are now at 4%—30-year money is at 4% now and might have been slightly higher at that point in time.

Mr. Saad Rafi: That was five years ago. When the deal was signed was 2003, was it not?

Mr. Ian Marshall: Commercial close was August 2003.

Mr. Saad Rafi: Six years ago—five and a half. I can't speak to what the rate spread was between Ontario's or government of Canada bonds and the interest rate of the private sector in that regard, but the current model—the debate is not about the cost of capital, it is about the risk, and under P3s in that era as well it's about the transfer of risk and what is the core business of a hospital, and that is to run the clinical services.

While I take your point, which is that if there is a CCA opportunity for the special-purpose vehicle or a member within that consortium that could be a gain-share opportunity for the province, it's not a pure negotiation in the sense that might be thought of. It is a procurement that is looking at certain criteria, and the competitive process and the process that is followed yields a result, and that result is based on a series of criteria that we've talked about.

So how they choose to structure themselves and take advantage of tax treatment in Delaware is actually not something the province can reach into and effect.

The Chair (Mr. Norman W. Sterling): You can effect it by negotiating for a better rate if they in fact have a capital cost appreciation advantage, because you can shift that cost onto another level of government or whatever, or another government somewhere else.

Mr. Saad Rafi: Yes, and the government is capitalizing its construction costs as well because it's a consolidated asset. The issue is, where do you stop with that? I'm not trying to be argumentative with you. I'm just saying that the consortium could then, in part of the negotiation, expect to get the gain share from government's consolidation of its assets as well, and then you're into a series of things. I think the choice that has been made, and I believe was made in 2001 through 2003 when this transaction was being undertaken, was to look at, in that case, what's the social discount rate—very different model today—and does this project fall within that?

The Chair (Mr. Norman W. Sterling): Well, I guess my question is, do you know whether or not capital cost appreciation was taken into account in the negotiation of this contract?

Mr. Ian Marshall: No. I can tell you—hopefully this answers your question—that the general approach was that the hospital wanted to be insulated from whether they could take advantage of tax treatments or they couldn't. We didn't want to be affected. The tax liabilities and how they could be treated in a tax way—it was up to them how they structured the deal and then presented the final, all-in price. But we didn't want to be affected if they couldn't claim what they thought they could. Those were opinions they had to have on their side of the transaction to feel comfortable with the overall price they gave.

The Chair (Mr. Norman W. Sterling): So you were aware of the issue. You wanted to be insulated from the issue—I can understand that—on your side of the deal, but you didn't know or you didn't care to know?

Mr. Ian Marshall: I wouldn't say we didn't care to know. I could undertake to look into that issue further—I wasn't the prime on finance at the time—to see what specific consideration was given to that. I can tell you, though, that how they structured themselves they considered to be proprietary and confidential, because not all consortia came together structured the same way. So how they structured themselves and took advantage of tax allowances if they could was an added benefit that one team or another said was proprietary to themselves at the time, something they kept close to the chest.

The Chair (Mr. Norman W. Sterling): Well, if you could provide me with more information, I would appreciate that.

Questions?

Mr. Jerry J. Ouellette: Thank you for your presentation. I have strong concerns regarding the health care sector as a whole where this is just a typical example that I see where I believe the initial cost was \$357 million—

or estimate—and it expands up as we go through request for interest, request for proposal, request for qualifications, and we end up with \$614 million. Is there not some way to minimize those impacts on the public sector so that when the cost comes in or when it initiates, we get a better sense of where the actual end result is going to be?

There are some other questions that are going to follow on this.

Mr. Ron Sapsford: Well, without getting into the specificity of these particular numbers, I guess my impression of it is that it depends on which number you're talking about at which point in time. With this project, it includes the full life cycle costs, including the ancillary services; in some cases we're talking only about the construction cost. In some cases, the costs that were identified were earlier in the planning process. And it is the case where sometimes the scope changes—it's going to be bigger, the square footage changes, we're putting more services into the planning—and the numbers change.

Mr. Jerry J. Ouellette: Yes, but when you start changing the services and the planning, you're moving away from the initial intent which was originally there. When you come forward and now you're saying that you have different services to provide, different aspects, would that not all be considered at the very start of the process?

Mr. Ron Sapsford: I think that's part of the point we're trying to make today, that for this project there was some drift. The way the structure is organized now is that the program specifications, the volumes, the size, the scope of the project are specified at the beginning, because once it's into the RFP process, the tendering, the value questions, those decisions—I won't say they're absolutely fixed, but they are fixed from the perspective of a clear understanding of the size and scope. So there will always be cost escalations over time based on money costs, construction costs, where is the general economy? Even when we know "This is the program and the size and the scope," simply moving through the RFP process you will see a drift, generally upward, in the overall costs. But that's not only an AFP issue; that's an issue for all of our construction projects.

1400

Mr. Jerry J. Ouellette: When I talk with contractors on a regular basis, their explanation to me is that a normal expectation would be a 10% cost overrun on the project. When we deal with the health care sector, I don't see anything coming close to 10%.

Mr. Saad Rafi: Under the current AFP model, the opportunity—virtually always, but in the main—to make changes to the program specifications, what footprint the hospital needs, or where the structure should be for this wing and that wing, must be nailed down before the RFP can be issued. Once issued, it's essentially fixed.

Now, there may be circumstances. For example, in one project there may have been a circumstance where, during the construction, there were geotechnical concerns. Infrastructure Ontario's project management

capacity, once the consortium has been chosen, is there to represent their client—the hospital and the Ministry of Health—and to push back on the constructor, to say, "Wait a second. You contracted for this bill, and we transferred"—I'm just using geotechnical as an example—"geotechnical risk to you, so you should have been properly prepared by understanding the soil conditions, etc." So I think that's one thing.

I think the other thing is that once a contract has been struck, the effort required to open that contract, on both sides, is a good disciplining process to keep specifications where they are. As well, the pace of construction: You have the financiers, if you can imagine it this way, sitting on top of the constructor, because the financier gets paid out near the end. They need to make sure that the money that they have at risk is not going to be affected, because they're not getting paid until the hospital deems the project complete. So those are some of the checks and balances that have been lessons learned and are applied as distinct from a more traditional design-bid-build.

Mr. Jerry J. Ouellette: Do you have an example that we or I can monitor that's under way currently in this process, right now? That this committee can kind of look at and say, "Okay, here's an example of the way it's working," and we can use that as a standard?

Mr. Saad Rafi: I'll see if we can give an example of a project that is concluded and had some of those issues. We can provide that.

Mr. Jerry J. Ouellette: On the same token, then, what I was leaning towards is the local community component of the contribution. The initial community steps up to the plate with, just to use the figures that would have been explained, \$357 million, whichever the percentage of costs may be. All of a sudden you find a much larger percentage there—because I know we had difficulty on the Lakeridge issue regarding the funding component from the local community. How is the community going to gauge that? How are they going to do it, especially when you're looking at changing the dates of the increased bed numbers in the future? I realize that you've mentioned, deputy, that the amounts will change, but what are they seeing or what are they saying about those fundraising components?

Mr. Ron Sapsford: It's always a struggle whenever the number changes, but I guess what I'd try to reflect to you is that there is a natural tension between the ministry and hospitals when it comes to capital construction, and it's from this perspective: First of all, the planning cycle is very long. This is years; it's not a question of months. So when the first approval for planning is given to a hospital, it's based on certain assumptions about what needs to be done. But as time goes on, technology changes, and they move through it. When we come to, then, a next approval, invariably the project has changed: "Well, as long as we're at it, we should—" or "This has happened in the interim. Let's consider that. There's a new technology we want to include." All of these things, over a period of time, if the ministry agrees, "Okay, fine, approval to include that," automatically change the price.

Now, if a hospital has been out in its own community, "We're doing this project, here's the size and the money we need. We need \$50 million," by the time you get to the end of the planning process, that number, by virtue of the decisions the hospital has made, has increased. Then you get into the process where you're into RFPs and construction, and the original estimates may not have accounted for construction costs now, four, five or six years later. So people view all these as increases in cost, but the increase is apportioned to very discrete decisions that were made by the hospital, in terms of its ambitions to complete a construction project and what should be included, and then secondly, the incremental costs of actually doing the project, the construction. So when we talked about the cost share originally, when projects were at 50-50, this could be a sizable impact on a community. I think principally, as I've said, that's why the government decided to shift the construction costs to a much larger percentage on the provincial side of it for all of the factors that I've talked about. So this isn't the fault of one party or another. It's simply the way these very large projects are planned over multi-year, trying to balance out the needs of the community, the desires of the hospital, the standards the ministry insists on and the ability of the government to finance it in a reasonable period of time.

Mr. Jerry J. Ouellette: You mentioned actual friction between the hospital and the ministry. After dealing with these issues from a local and from a provincial perspective, I get a sense that from a hospital's perspective, as long as we get our foot in the door and we've got a commitment to proceed, the funding flows. I have some strong concerns that we need to be able to make sure, and quite frankly that's one of the reasons I introduced a bill to review, on a committee basis—a set committee that will only deal with health care and education—and address those very issues. When you look at 62.2% of the entire provincial budget equating to health care and education, we need a little more scrutiny, and this might be one of the ways.

One last question is, how will you ensure that the level of non-clinical services contracted for and being paid for is actually going to be delivered? What checks and balances do you have in place for those non-clinical services to ensure that that will take place?

Mr. Ron Sapsford: In the Brampton case?

Mr. Jerry J. Ouellette: Yes.

Mr. Ken White: That's where the complexity really comes into play here. You heard Ian refer to the 200-page document that cites a substantial amount of detail around what service, timing around the service, that sort of thing. That really gets back to my comment earlier that we really need to simplify these arrangements so that they're achieving goals, rather than a whole lot of people maintaining metrics.

In our case, in the Brampton case, basically any variation between 95% and 105%, say, in volumes—that would be volumes of housekeeping services or portering or anything—is adjusted every month on the bill. So you only pay for what you get. There are also other metrics

included that include satisfaction levels and things like that. So again, they're complex, but its intent is to ensure you're getting what you're paying for.

Mr. Jerry J. Ouellette: Okay, those are all my questions for now.

The Chair (Mr. Norman W. Sterling): Do you have any more questions now, France?

M^{me} France Gélinas: I'm kind of curious about your non-clinical services. So it's a 200-page document that sets the ground rules for the private providers to provide non-clinical services to your hospital. There was a quote in the auditor's report that says that your predecessor, I think it was, thought that he was then in a position to get more non-clinical services because of this. Are you familiar with this?

Mr. Ken White: I'm familiar with the comment. I'm familiar with what I found there. I think it would be a difficult one to say yea or nay to. I think the perception is that people put a lot of work into striking a complex but very detailed arrangement. Some might argue the expectations were, if anything, gold standard. So timing around, say, response for a porter, some of the timing around cleaning a unit for the next patient to be able to get into it, some of those targets are pretty rigorous, and perhaps that's what his comment was based on. I think we would argue at this point in time that we need to be able to simplify this thing and really focus on what's needed as far as the service, as opposed to some of these expectations that I think are maybe not reasonable.

1410

M^{me} France Gélinas: Right now, you use the hospital operating budget to pay for those services?

Mr. Ken White: Yes, we do.

M^{me} France Gélinas: So if they go up, then a larger part of your operating budget is targeted toward non-clinical services?

Mr. Ken White: Yes. Right.

I have to say that as part of the arrangement, the detailed contractual arrangement with the third party is something that is anticipated in the PCOP and flowed by the Ministry of Health to cover, so it is covered by the Ministry of Health.

M^{me} France Gélinas: But separate from your operating budgets—

Mr. Ken White: Yes. The operating budget is really comprised of two things: One is the global budget that was there for the hospital going into this; and the incremental piece is really the PCOP, the post-construction operating plan piece, which really anticipates standard costs around, say, increasing patient levels and also includes the details around this arrangement with the third party.

M^{me} France Gélinas: So where does the impetus to keep those costs down come from if, at the end of the day, the ministry will pick up the tab anyway?

Mr. Ken White: That's a great question. We're working with the ministry right now on this whole thing: How do we really make this (a) a simpler arrangement and (b) one where there are the right incentives there to reduce costs?

M^{me} France Gélinas: If you had all decision power in the world, would you continue with this deal or would you go back to the way non-clinical services are provided in every other hospital in Ontario?

Mr. Ken White: Could I plead the fifth on it? No.

M^{me} France Gélinas: Sure.

Mr. Ken White: I guess what I would say is, I'm pleasantly surprised—and that was the reason I kind of said “amen” to Ron's earlier comments about what services are in or out. I think where the ministry has taken this, as of their decision in 2006, and where this is headed is a way better approach than this one. It remains to be seen if it works in a superior fashion. I think there's a question mark there.

M^{me} France Gélinas: A question mark. I know that before you came in there were a lot of people who were really unhappy with the quality of services that were provided in your hospital. When you see 3,000 residents demonstrating in front of a hospital, that's never good news. Would you say that things are better?

Mr. Ken White: I'm always reluctant to say that, but I'm always happy when we pick up the newspaper and we're not in it.

I think a number of the issues that the hospital was grappling with at the time were internal issues. Again, I think the impact of moving from a facility that really is totally deficient to one that is really extraordinary—it really is. If there's something to celebrate here, it's the fact that there's a state-of-the-art hospital in Ontario that really, with its technology and the team it has there, is leading-edge.

But once you move into a facility, the transition, the shift, is so dramatic that many of the things you experience are things that actually Ron was referring to before. There's a committee or something right now at the ministry—I'm on it—that's looking at how we deal with these transitions. I think we've got to anticipate this going forward, especially as we move into these green-field sites. There are a lot of impacts that really can jeopardize stability and safe patient care.

To answer your question, I think we've addressed most of those; I wish I could say all of them. I think the other factor was the fact that the community had some different expectations around where the hospital would be located and about what happened to the old hospital, so we've had a lot of work to do with the community. I would say we've made major gains.

M^{me} France Gélinas: And how are you coping with the fact that you're at 479 beds when the plans were for over 600 beds?

Mr. Ken White: This is one of the nice things that you haven't seen often in health care, and not in Ontario either. I think the planning for that facility was well done, from the vantage point that it anticipated being a sustainable hospital for a few years going forward. The anticipation that there were going to be 608 beds on day 1 was an impossibility. In fact, moving from 330 beds in the old hospital up to 479 was a major challenge. Some of the quality-of-care issues and some of the noise in the community had to do with the fact that the hospital was

really having a tough time coping with that kind of increase.

We're comfortable; I think the numbers are right. We're looking at moving up to 527 this year. Those numbers are very reasonable. Again, it will cope with program growth and it also will be something the hospital can manage.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Ms. Albanese, please.

Mrs. Laura Albanese: What I wanted to ask first of all is, this project was, in a way, inherited. When the current government came into power, it decided to go ahead with the project. In your opinion, why was that? Were all the problems that the Auditor General pointed out not known at the time?

Mr. Ron Sapsford: I would have to say no. First of all, the ministry doesn't look at it particularly as an inheritance problem, because the ministry has been managing this project from the very beginning. I think it's fair to say no.

The project was a new project; it was a new idea, I think, as has been illustrated. There were two hospitals, in a pilot sense. This kind of financing model had not been used before. So there was a great deal of effort—perhaps too much effort, according to the auditor's report—about advisers and how much administrative cost went into the analysis of whether the project should proceed on this basis. Some of it, in hindsight, has now been viewed that there are better ways to do it. I and my colleagues have tried our best to point out where those changes have been made, learning from the actual experience that Ken brings to it, as well as the auditor's report.

I think we can't forget the fact that there was a very high need to develop a new facility in that part of the province. This had been a long-standing recommendation. As you said, for a new government looking at it, it would be a question of, “Do we stop and start over again?” And when you look at the public interest, there had been a great deal of due diligence—not perfect, and we've made some changes, but nevertheless, the overriding consideration, in my view, would be, is there a need to proceed with this project in the interest of health care for the citizens of Peel and Brampton? My honest belief is that the answer to that question is yes.

Now, what can we learn from it? How can we improve the—

Mrs. Laura Albanese: That was my next question. We've talked a lot about lessons learned, so could you summarize, in some ways, all the lessons that we've learned from the Brampton experience?

Mr. Ron Sapsford: The importance of what I call the pre-planning pieces: definition of program, being clear on specifications, being consistent about that and, once decided, stick to it.

Secondly, the process of determining value for money, whether that's traditional or alternative, and having much more rigorous processes to make those decisions. My

colleague has explained how that's being managed in the Ministry of Energy and Infrastructure and through IO.

The final piece of it, when the project's done, is, what changes in the way the hospital operates have to be put into place by virtue of the fact that it is a new facility, that it is designed differently and that the staff of the old are not familiar with the new? So how one populates it and takes it over and designs changes in operation to accommodate the new physical premises is equally important.

1420

I think there are three groupings: deciding what you're building; how you tender it and pay for it, making sure you've got the discipline around managing risk and managing risk and managing the project; and then the final is, what are the operating changes the hospital and its staff have to make in order to continue to deliver effective care? In each of those categories, we've learned lessons. We've now turned a corner and have new policy approaches to try to address them in the future.

Mrs. Laura Albanese: Just out of curiosity, one last question: How many hospital projects are currently under way?

Mr. Ron Sapsford: Lots. Total hospital projects: There are about 117 projects currently; that would be of all sizes and shapes, across the program. Thirty-nine of them are major projects that pre-existed ReNew Ontario, which has the IO approach, and 78 are major projects that this government has announced, which would take us up to 2011-12 in terms of the length of time. Of those 78 that are announced, 10 of them have been completed and 41 are still under construction. So there are dozens of hospital projects either in planning or in construction at the current time.

Mrs. Laura Albanese: Thank you. David?

The Chair (Mr. Norman W. Sterling): I think Mr. Zimmer is going to be the last person to question, but I'm going to give the last word to Linda Jeffrey, who hosts the hospital. So, Mr. Zimmer, you go first.

Mr. David Zimmer: I just have one question, and then I'll leave the wrap-up, so to speak, to my colleague Linda Jeffrey.

I don't have so much a question as an observation; I suppose parts of it are a question. One thing that is very, very clear from sitting here this afternoon is how tremendously complex the negotiation of these arrangements are. Deputy Minister Rafi, you said earlier in the afternoon, "These organizations"—and you were referring to, I think, the financiers and the other parties to the process—"are quite sophisticated."

So my question is, and I don't mean any disrespect in the question in any way, so please don't take it that way, but it seems to me that there is a handful of negotiators involved in one of these projects. There are the huge multinational contractors that can take on this kind of a project, and they are tremendously skilled in negotiating what they're doing. They do that for a living and they've been doing it for years and years, the folks who build these hospitals and mega projects.

There are the financiers involved, and they do this for a living—the big banks, the investment banks—and they're tremendously skilled in negotiating these agreements. They know things and ideas that we wouldn't think of in a million years, and you just have to witness some of the goings-on in the financial world out there today.

Then there are the hospitals and the hospital boards, and they're essentially laypersons, if you will, amateurs at this sort of stuff. They're new to the process. There are the politicians, and they're not experts in this complicated financing construction business. There's the civil service side of things; they don't make their livelihoods from these sophisticated financial negotiations.

So I've always had the sense, from my own personal experience over the years and from some things I've been involved in, that getting into one of these negotiations, it's not really a level playing field in the sense that I'm negotiating with a mega contractor and I'm negotiating with a mega financier, and they're so much more sophisticated in their knowledge and the techniques and what the outcomes are all going to be. It has often struck me that you can never get a level playing field in the skill sets of the various parties—and I don't mean any disrespect to hospital boards or politicians or civil servants or anything. How do you deal with that? Or do you ever have any sense that when you're negotiating one of these contracts, I guess to make it a colloquial expression, the other side knows more than you do or is better than you are at coming up with a deal?

I can't help but notice, Mr. White, that you're, in a knowing way, sort of smiling and somewhat acknowledging that premise of mine.

How do you create that level playing field? My point is, sometimes you're negotiating with real sharks here. How do you cover yourself?

Mr. Saad Rafi: It's hard not to take that in the manner you didn't intend.

I'd observe the following: I think you underestimate the sophistication of hospital board members. Some of them are investment bankers. Some of them are corporate bankers. Some of them are heads of construction firms. Some of them are very well-minded individuals from their communities, as we all know. That's one issue.

The second issue is, Infrastructure Ontario was created to find the individuals out there who have expertise in engineering, construction project management, architecture, design, project finance. I think they've done a very good job in assembling a fairly sophisticated team.

The third thing is, they hire advisers who have worked with some of these financiers in other transactions, and who are there to provide legal advice and who have expertise in Canadian international law regarding deal structuring, transaction and financial advice with respect to credit risk, financial evaluation. Some bureaucrats have worked in project finance and have that experience, like myself for the last three years, in infrastructure projects.

It's easy to use the traditional sense of the word "negotiation." It actually is a procurement process, such

that the transaction and deal structure is set by Infrastructure Ontario with the hospital, with the previous guidance of the Ministry of Health. In order to have a consistent bidding process, that procurement and that deal structure is what people bid on. The amount of face-to-face negotiation that you and I would see as the traditional kind of negotiation that we all imagine is there is less of an issue in these types of transactions. When I look at those things as an amalgam—because the hospital board has a say in this transaction both before the RFP and at selection, as well as the Minister of Health, under the Public Hospitals Act, in the first and last instance. So I would observe and surmise that the public interest is quite well protected in that regard.

Mr. David Zimmer: Just to follow up, we have heard from other—sorry, Mr. White.

Mr. Ken White: I'd like to defend my—what was I?

Mr. David Zimmer: I said you were smiling in a knowing sort of way.

Mr. Ken White: Annoying, yes. I didn't mean to annoy you.

Mr. David Zimmer: Knowing.

Interjection: A knowing way.

Mr. Ken White: Knowing? Okay, great.

I was going to introduce, actually, what we just heard from our colleague here. One of the big problems was, there was no construction in health care for many, many years. Hospitals were not equipped with even basic planning skills.

So a lot of what IO represents is really a beautiful model, because it creates a provincial resource that adds a whole new level of sophistication to the entire process: the planning, the executing, the contracts and executing of the project.

I just want to say that this extends right back to the lack of infrastructure in hospitals and the lack of experience right from day 1 on this.

I think this model is great. If I were to encourage any kind of embellishment of it, it would be to extend that great resource to the other non-AFP projects, because, again, there are a lot of projects out there that are not AFP, and IO has a fabulous team of leaders, folks who really do know the business.

Anyway, Mr. Chairman, I just wanted to add those comments.

1430

The Chair (Mr. Norman W. Sterling): Are you finished, Mr. Zimmer?

Mr. David Zimmer: Yes, thank you, Chair.

The Chair (Mr. Norman W. Sterling): I'm going to give the final word to the MPP who hosts the Brampton hospital, Mrs. Jeffrey, who is a substitute on our committee today.

Mrs. Linda Jeffrey: Thank you, Chair. I wasn't expecting to have this opportunity, and I appreciate the ability to sit in on something that is near and dear to my heart.

The first thing I would say is thank you to the Auditor General and his staff for having produced such a good report. I have to tell you, I was dreading it when I knew

that you were doing an audit on my hospital, having been through a trial by fire in my own community on this issue. But it was thorough, it was thoughtful and it was very constructive in the suggestions—and he hasn't paid me to say that. I thought it was very helpful, and it really helped explain a lot of things that I didn't understand. I'm not a financial wizard nor a health care wizard, but I sure had to be a quick learner in the course of trying to assist my community to get this hospital.

I think the deputy mentioned today that it was the largest hospital project undertaken in the province in decades. I cannot emphasize that enough. I think the Premier came out one day to look at the hospital. Actually, I talked to his driver and asked if he would go that way back; it was the long way home. He came back to me the next day and said, "Do you have trouble sleeping at night?" I said, "No. Why?" He said, "Well, it looks like every hospital dollar in the province is going into your community right now. You must be having trouble sleeping." I said, "Not at all."

We've been waiting a very long time for this hospital. We were certainly a guinea pig for a program that was new. It was a novel experience. It made me grey before my time. I can't imagine how it made the ministry staff feel, because it certainly was a challenge to try to get this project moving forward with all of the players, because there were so many people involved in making it work.

I guess what I do want to say in closing is that I had wonderful health care professionals in the existing hospital, a group of people who were honoured as being in the top five in Canada for delivering health care services. Those individuals picked up, lock, stock and barrel, in one day and moved to a new facility to try to deliver health care in my community. That was extraordinarily difficult for them. They rolled up their shirt sleeves and they did it in a brand-new facility. No matter what facility you move into, it's a challenging process.

I'm grateful I have it. We learned a lot of important lessons that I hope will benefit other hospitals across Canada.

I want to thank Ken for his help in the last couple of years. He's my third CEO, and every time he has been away for a couple of days, I say, "Ken, you are coming back, aren't you?" I get anxious, because it is so important to have good health care in your community, and I know we all appreciate it when we have it. Thank you, Mr. Chair.

The Chair (Mr. Norman W. Sterling): Thank you, Ms. Jeffrey. That concludes our hearing portion. I would ask members of the committee to sit back for a few moments as the room clears so that we can instruct our researcher with regard to writing the report. I would ask those who are here to try to exit fairly soon.

I would like first to thank those who came to us. Deputy Minister Sapsford, I didn't forget you again. We'll no doubt see you again in the near future. Deputy Minister Rafi, Ken White, as well as Ian Marshall, counsel, and all of the others who took time to come here, thank you again for your testimony and your help.

The committee continued in closed session at 1435.

CONTENTS

Wednesday 25 March 2009

2008 Annual Report, Auditor General: Section 3.03, Brampton Civic Hospital public-private partnership project.....	P-283
Ministry of Health and Long-Term Care	
Mr. Ron Sapsford, deputy minister	
William Osler Health Centre	
Mr. Ken White, supervisor	
Mr. Ian Marshall, vice-president and general counsel	
Ministry of Energy and Infrastructure	
Mr. Saad Rafi, deputy minister	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mrs. Liz Sandals (Guelph L)

 Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

 Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

 Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

 M^{me} France Gélinas (Nickel Belt ND)

 Mrs. Linda Jeffrey (Brampton–Springdale L)

Also taking part / Autres participants et participantes

 Mr. Jim McCarter, Auditor General

Clerk / Greffier

 Mr. Katch Koch

Staff / Personnel

 Ms. Susan Viets, research officer,
 Research and Information Services



P-17

P-17

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Wednesday 1 April 2009

Standing Committee on Public Accounts

2008 Annual Report,
Auditor General:

Ministry of the Environment

Assemblée législative de l'Ontario

Première session, 39^e législature

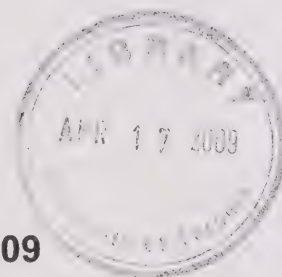
Journal des débats (Hansard)

Mercredi 1^{er} avril 2009

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :

Ministère de l'Environnement



Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 1 April 2009

Mercredi 1^{er} avril 2009

The committee met at 1234 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF THE ENVIRONMENT

Consideration of section 3.12, Ontario Clean Water Agency.

The Chair (Mr. Norman W. Sterling): My name is Norman Sterling. I chair the public accounts committee. Today, we are dealing with the Ontario Clean Water Agency, which was considered under section 3.12 of the 2008 annual report of the Auditor General, which came out early in December 2008.

We have with us today Gail Beggs, Deputy Minister of the Environment; I believe Paul Evans, the assistant deputy minister, environment programs division; we have Michael Garrett, who is the board chair of the Ontario Clean Water Agency; and I think we have as well at the table Dante Pontone, president and chief executive officer of the Ontario Clean Water Agency.

I believe, Ms. Beggs, you have a few remarks, and then you're going to pass it over to Mr. Garrett and Mr. Pontone as well.

Ms. Gail Beggs: Thank you very much, Chair, and thank you, committee. Good afternoon. I'm really pleased to be here on behalf of the Ministry of the Environment. I'll be sharing my time, as the Chair has said, with Michael Garrett and Dante Pontone. You'll hear in greater detail from them about how OCWA is acting on the Auditor General's report.

I want to begin by thanking the Auditor General for his valuable recommendations on how to improve and enhance the performance of the Ontario Clean Water Agency. As you know, the Ontario Clean Water Agency, or OCWA, is an agency of the Ministry of the Environment. We at the Ministry of the Environment take the recommendations of the Auditor General very seriously. The Auditor General's oversight benefits all of us. It allows us to make the kinds of progress and improvements that we know are essential for the health and well-being of Ontarians.

I'm proud to be a part of the ministry, and this ministry is very rigorous in ensuring that our communities are safe and healthy and our environment is protected. We know we must constantly fine-tune our efforts, make

improvements and go a step further to ensure the kinds of protections we need and want for public health and the environment.

Clean, safe drinking water is the foundation of our health and our province's success and prosperity. It is essential to building strong communities and a high quality of life in Ontario. Clean, safe drinking water is a top priority for our ministry and for the Ontario government.

1240

The Ministry of the Environment has taken a comprehensive approach to protecting Ontarians' drinking water and our fresh water resources. We have implemented all 121 recommendations of Justice O'Connor from his report on Walkerton, through initiatives such as the Safe Drinking Water Act and the Clean Water Act.

One of Justice O'Connor's recommendations was that OCWA be an arm's-length agency with an independent, qualified board. This recommendation was implemented through the government's appointment of six new, independent members to OCWA's board of directors in a revised memorandum of understanding between the agency and the Ministry of the Environment. I was pleased that the Auditor General acknowledged these movements in his report.

The Auditor General also noted that OCWA has adequate procedures in place to ensure effective drinking water and waste water treatment services. I'm also pleased that the auditor has noted the improved financial performance of the Ontario Clean Water Agency. Ministry staff are providing OCWA with the necessary support to implement the Auditor General's recommendations.

As I said earlier, you'll be hearing more from Dante Pontone, president and chief executive officer of OCWA, who will discuss in more detail the report and operations at the agency.

I'd like to recognize the importance of the Auditor General's recommendations in helping us achieve clean, safe drinking water and effective waste water treatment. I'm pleased to note that OCWA is taking action on all nine of the formal recommendations made by the Auditor General. I can assure you that our ministry will continue to work to ensure that our water is safe and of good quality.

I'd now like to turn the microphone over to Michael Garrett, chair of OCWA's board of directors.

Mr. Michael Garrett: Thanks, Deputy Beggs. Good afternoon, Mr. Chairman and members.

This audit came at an opportune time for OCWA's board of directors. As the deputy mentioned, OCWA's board and its composition has recently changed to a membership with greater independence and greater relevance of experience to the agency's business. This audit has provided valuable insights to our board by identifying what's working well at OCWA and where there are opportunities for improvement. We plan to take action on all of the auditor's recommendations.

OCWA, by way of background, is an operational enterprise agency in the business of providing water and sewage works and related services to protect health and the environment. We have three major lines of business: operations and maintenance services to owners; engineering and technical services to support the installation of new and improved clean water infrastructure; and thirdly, standby emergency services to provide first response to drinking water emergencies anywhere in the province.

OCWA receives no government funding to subsidize operations and, unlike other utilities, OCWA does not have a monopoly. OCWA functions as a commercial business, competing for contracts in the open marketplace. Contract and financing revenues are used to recover the cost of the service we deliver.

Water and waste water service delivery is a partnership involving several players: the owners who invest in and pay for the system, the operators who provide day-to-day operations and maintenance services, and regulators who establish the operating standards.

It's important to emphasize that OCWA does not own the facilities that it operates. It does not control the design or approve the major capital upgrades of client systems, though it is proactive with clients about making suggestions about their systems.

As an operator, OCWA balances its business goals with a public mandate that supports the province's environmental, public health and infrastructure policies.

OCWA plays a critical role in the province's water safety net, providing expertise and on-site support to help communities where needed. This has included support to Walkerton, the Kashechewan and Pikangikum First Nations and, most recently, Foleyet in northeastern Ontario. OCWA's hub-and-spoke method of operations has allowed the sharing of expertise, resources and systems that create economies of scale and efficiencies that deliver real value to smaller and remote communities.

OCWA is the operator of choice for the vast majority of system owners who choose to outsource their water and waste water services. We provide services to over 500 facilities and 180 clients across the province. Clients include municipalities, First Nations communities, institutions and businesses. Our client facilities range in size from small well and lagoon systems in rural Ontario to large-scale urban water and waste water systems. OCWA has operations throughout Ontario, with a significant presence in small-town Ontario: 71% of OCWA's clients serve a population of under 5,000.

Recently, our two largest clients put us to the test in separate third party analyses. Both concluded that OCWA provided good value. One compared us to systems across North America and found that OCWA's performance was in the top 5% of the industry.

Although these findings are reassuring, the board recognizes that the agency must demonstrate value and continue to improve. Let me reassure the committee that OCWA's board is proactive in addressing the auditor's recommendations. The board has directed management about the type of information that it requires in order to fulfill its oversight responsibilities. In addition to better financial performance information, the board has directed that key environmental compliance metrics—such as adverse water quality incidents, bypasses and boil-water advisories, as well as worker health and safety issues—be reported and responded to on a more timely basis.

In conclusion, OCWA is an organization with a vision to be the most trusted provider of clean water services and a mission to deliver safe, reliable and cost-effective services. I thank the Auditor General for both recognizing the good work the agency has been doing and for his recommendations that will enhance the agency's value in the future.

At this point, I'd like to turn it over to Dante Pontone, our president.

Mr. Dante Pontone: Thank you, Michael, for setting out the context for our discussion on OCWA today. I also wish to thank the standing committee for the opportunity to speak about the activities of the Ontario Clean Water Agency and, more specifically, the Auditor General's report.

The agency welcomes the Auditor General's report to help ensure that we continue delivering our services in a safe, efficient and effective manner while demonstrating value to the province and to our client communities. Our vision to be the most trusted provider of clean water services is reflective of our role as a provincial agency that makes public health, the health and safety of our employees and protection of the environment our top priorities.

Although we will never place profit ahead of these priorities, we operate our business in a competitive marketplace which continuously drives the need for efficiency. It is the balancing of our public accountability with a competitive marketplace that makes OCWA a unique crown agency.

Our commitment to continuous improvement in the area of public health and environmental compliance has been clearly established throughout our 15-year history. As part of the agency's culture of public health and environmental compliance, we embraced a simple model aimed at continuous improvement: plan, do, check and improve. These four steps not only provide the foundation of our quality management systems, but also represent how we conduct our business activities.

In 1993, when the agency was first formed, employees were transferred from the Ministry of the Environment to OCWA. With these employees came the culture of the

ministry, including their commitment to public health and the environment. In 1995, we implemented an environmental management system to ensure that all potential environmental and public safety risks associated with operating these facilities were properly managed. In 1996, we formalized our occupational health and safety system to further protect our employees from workplace risks through prevention and awareness.

In 1998, we introduced OCWAware, a methodology in operational best practices for water and waste water operations. With this methodology, we were able to remotely monitor and control the facilities that we operate, develop risk-based asset management strategies using computerized maintenance management systems, create systems used for the collection and analysis of facility information, create standardized reporting and procedures and deliver on all the related training programs. These tools not only assisted the agency in providing safer, more effective service, but it also allowed the agency certain operational efficiencies, improving our competitive position in the marketplace.

In the spring of that same year, for the region of Peel, OCWA registered North America's first major water systems under ISO 14001, an international standard for environmental management. This significant achievement was also acknowledged in the Ontario public service with an Amethyst Award for excellence. In 2000, we were also successful in being the first to achieve ISO 14001 standard for the first waste water system in Canada.

1250

After the events of Walkerton, Justice O'Connor recognized OCWA's environmental management system as a best practice in water management and went on to recommend that all water systems in the province implement a drinking-water quality management system, which the Ministry of the Environment is currently phasing in across the province. Since the Walkerton inquiry, there have been significant changes to Ontario's regulatory environment.

With an increasingly stringent regulatory regime, our "plan, do, check and improve" philosophy drives us to continuously renew and enhance our existing systems so that we can meet the evolving needs of the regulators and our clients. Over 15 years, OCWA has developed a number of proactive and voluntary programs to specifically drive these improvements in our compliance performance, including our facility assessment reports, compliance audits, emergency management plans, and the recent development of an enterprise risk-management system. These systems are supported by dedicated compliance resources across the entire organization.

The Auditor General's audit and summary recommendations have provided a valuable check on OCWA's processes and performance that senior management and the board have already begun to act upon. I will be speaking to you of some of these changes and other changes that we'll be making in the future.

I'm pleased to be able to share and discuss our action plan with the committee. I wish to highlight three major

areas of improvement that were identified in the Auditor General's report where we have already taken steps to respond to the recommendations. These areas are internal reporting, compliance performance and contract risk.

Beginning with internal reporting, OCWA works to build trusting relationships with its clients, employees and the regulator. We recognize the importance of building trust by demonstrating accountability through adequate internal controls and reporting mechanisms. We acknowledge the opportunity for improvement in this area and have already begun to implement enhanced internal reporting at several levels within the organization. This includes new mandatory reporting frequencies on a monthly, quarterly and annual basis; more comprehensive reporting on compliance, operations, maintenance, training and business activities; improved analysis and highlighting of any systemic issues; and enhanced oversight controls escalation procedures to ensure that the required information gets to the appropriate levels of the organization.

As for compliance performance, as already mentioned, we have implemented several proactive systems as part of our quality management philosophy which go beyond strict regulatory obligations. This approach includes occupational health and safety, internal compliance audits and facility self-assessments. As recommended, the agency is enhancing reporting with respect to adverse water quality incidents, discharge exceedances and bypasses to highlight any common issues that the agency can address or, more importantly, assist the facility owners in addressing.

As part of our action plan, last year senior management approved a new mandate for our operations and compliance committee, and one of that committee's key functions is to analyze trends in performance data and report on the opportunities for improvement. Improved reporting mechanisms will ensure that non-compliance items are prioritized and responded to in a timely manner and any required client actions are well documented. Senior management will also be reporting findings to OCWA's board of directors.

With respect to contract pricing, the agency continues to make strides in ensuring its financial sustainability. Over the past five years, we've made real progress towards delivering our operational services on a cost-recovery basis. We remain committed to achieving this target, and we are implementing the Auditor General's recommendations to assist us with this goal.

Our new financial system, which was introduced in June 2007, has enhanced our ability to track, compare and report on the performance of both operations and engineering contracts. As we continue to implement business intelligence tools which are available in this new system, we are confident that we will improve our performance measurement and, ultimately, our business activities.

We have implemented and will continue to implement cost-saving initiatives identified as part of our revitalization project. We have enhanced our contract document-

control process to ensure that all supporting documentation and the rationale for pricing proposals are retained centrally for regular analysis. We are presently reviewing our internal pricing methodology and reinforcing our approval process for negotiating new contract margins.

In conclusion, I would once again like to thank the members of the standing committee for the opportunity to speak to you about the Ontario Clean Water Agency audit. We have made considerable improvements in recent years, and we look forward to the opportunity to grow and evolve. The recommendations of the Auditor General have provided excellent insights into OCWA's strengths, as well as our opportunities. We have made excellent progress in our action plan to implement these recommendations and, from senior management on down, we are very committed to ensuring that every single recommendation is addressed in a timely manner. Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. Mrs. Sandals?

Mrs. Liz Sandals: You're starting with us today? Okay.

In your opening remarks, Mr. Garrett, you mentioned that OCWA doesn't actually own the plants that it's operating. I wonder if we could talk a little about the implications of that in a couple of different areas.

I guess the starting observation would be that you don't own the plants; that whatever the state of the technology is, you have to more or less live with. Whatever the design, you need to live with it; there isn't a lot that you can do. I'm also assuming that most of the municipalities in which you manage the plants, other than Mississauga, which is obviously quite large—but in most cases, you're managing plants for smaller municipalities and they won't necessarily be the most sophisticated plants. Are my assumptions correct so far?

Mr. Michael Garrett: Yes, they are. Yes, that's the challenge.

Mrs. Liz Sandals: Okay. There are a couple of areas that people are obviously quite concerned about. One is obviously the quality of drinking water and the second is when we're dealing with sewage treatment plants, the output from sewage treatment; if we could talk about the implications of that capital in both of those situations. In the auditor's report, when you're talking about water treatment, he notes that OCWA has good results when you look at the microbiological areas of testing. Is that your primary responsibility, in terms of making water safe for human consumption?

Mr. Michael Garrett: Certainly, I'll pass it on to staff afterwards.

Mrs. Liz Sandals: Yes, and refer it to whoever is the technical whiz.

Mr. Michael Garrett: Yes, I think that's a valid assessment. The microbiological measures are the things we have the most direct control over on a day-to-day basis when we're the operator. Things such as the removal of iron, which is a chemical—I may be using a bad example—are built into the design of the plant. If

they're not there, then iron isn't going to be removed. But it wouldn't necessarily be a risk to health like the microbiological criteria is.

One of the ways the board is using that information—the auditor pointed out that we've had a number of adverse water quality incidents that involved a mixture of microbiological, chemical and other kinds of parameters. What we're keen on, as a board, is isolating and figuring out those things that we're most accountable for and where we can make a difference. Where we can't, I think we want to make sure we've done our due diligence in advising our client, the owner, that we can only go so far with respect to these other indicators. Also, when we're reporting to our regulator, "These are the things you can hold our feet to the fire for and these are the things that you can't." So we're focused on that. I think it's exactly right to say that—what I've been advised anyway—it's the microbiology that we can focus on.

We immediately went back, as a board, and had some detailed discussion about these parameters and these measures, because we all don't want to wake up to a Walkerton in any of our operators. That's absolutely paramount in our minds. So what are we tracking in terms of good water quality? We've looked at some of those indicators.

I'll just give you an example. In the auditor's report—I think you have the auditor's report in front of you—if you look at table 2, which talks about the exceedances in drinking water quality standards: do you see that table at the bottom of page 323?

Mrs. Liz Sandals: Yes.

Mr. Michael Garrett: Right there, where it says OCWA, number of incidents; microbiological: 145. Do you see that number? We just last week got a report on the microbiological exceedances for 2008. The number that came up was 70. We're making significant progress to get that number down so the board would be satisfied with the work. It's one of those things: you strive for zero and you probably never get there because there are always some incidents. That's the kind of progress we want to see. We're very interested in tracking those things, tracking them by geography, by client facility, so if we see a trend we can be proactive and go after it and deal with some changes, at least to clarify who's on first and who's on second.

Sorry for a long-winded answer, Mr. Chair.

1300

Mrs. Liz Sandals: No, that's great, because I think that gives us a sense that you're doing a really good job and getting an improved performance in the areas that are really crucial to human health. Your example of iron was interesting because I presume that iron is something that occurs naturally in the source water in various parts of the province.

Mr. Michael Garrett: Yes.

Mrs. Liz Sandals: And depending on how the plan has been designed, it either does have the technology to remove iron or it doesn't have the technology to remove iron, and whichever one you've got, you've got.

Mr. Michael Garrett: Anybody who has travelled around—if you go to eastern Ontario and you look at that area between the St. Lawrence and the Ottawa River and all that limestone, many of the wells in those areas have significant issues with certain kinds of minerals that you don't have in central or southwestern Ontario.

Mrs. Liz Sandals: And I come from Guelph, where we have a huge amount of calcium in the water. It's very hard water and that's just the way it is.

Mr. Michael Garrett: I should ask the staff if there are better examples than iron. I'm sure there are; I'm not—

Mr. Dante Pontone: Yes, we can get into many examples but I think that makes the point in terms of understanding, as an operator, OCWA's realm of scope in terms of what we can control. But also important, if I may add, is the fact that many of these issues could be source water. We talked about adverse water quality incidents. Many of them, the majority of them—and I think the auditor mentioned this in his report—are related to source water, so we talk about mineral. But what's important is that OCWA always works with its clients and we're working to assist in any way we can, whether there are changes we can make within our realm of responsibility or scope in the plants, or assisting in making recommendations around capital improvements. But as a consultant, as a partner with these municipalities, we're always assisting them in ensuring that even if it's outside of the operator's role, what else we can do to assist them in meeting those requirements.

Mrs. Liz Sandals: Right. And that's really good news, because it sounds like you're making great progress there.

In terms of the other side, the waste water treatment, again, the auditor knows that there are a certain number of occurrences and the one that we often hear about is overflows. Typically, you get overflows from waste water treatment plants when you've got the storm water system hooked in with the sanitary sewer system. Again, this would not be something that you can control. The design of the pipes in town is the design of the pipes in town and you have to deal with wherever people put the pipes.

Mr. Michael Garrett: Yes. Just on that, the owner designs the system. The systems can be very different depending where you are. Sewer pipes, as you know, are not under pressure and so you have infiltration that gets in through the joints, and even if you have a new system, you can have infiltration in it. I know from the municipality I was in before this new life for me, we had new systems with significant infiltration problems. So it's possible, even with new systems, to have that. The plants that are downstream of that, which we often operate, are faced with, under different circumstances, high ground-water levels, for example, which can increase the pressure and the inflow into the pipes, and all of that affects the capacity of the plant.

The plant is designed to accommodate a certain flow. You can't design a plant anywhere near economically to

take any manner of flow. At a certain point, certain things happen, whether there's primary filtration and then it's overflowed after that—it just depends on the nature of the storm, the nature of the flow that the plant operators are faced with, and then it bypasses. And it bypasses for the safety of the system. If it didn't bypass, it would pressurize the sewage system and you'd have backups into people's houses, which would be very dangerous for health reasons. So plants are designed to have bypasses for obvious reasons.

Now clearly, different municipalities have different capacities, different design standards, depending on when they were built, and that's again to the point you made before. Those are things that they're usually patently aware of, require a significant capital investment to deal with, and they have to work it into their budgets, and it's really a decision of priorities for the council of that municipality.

Mrs. Liz Sandals: Thank you very much. Do we still have a bit of time? I'll share with Mrs. Van Bommel, then.

Mrs. Maria Van Bommel: OCWA provides service throughout most of my riding of Lambton-Kent-Middlesex. In your opening remarks, you mentioned aboriginal water plants as well. That brought to mind the fact that I have five First Nations bands in my riding. Can you tell me how many First Nations bands you are working with, in terms of operation of their water systems?

Mr. Michael Garrett: I think about 16% of our clients are First Nations communities that we provide services for. I'll turn it over to Dante here, and he can perhaps answer that more specifically.

Mr. Dante Pontone: Currently, we're working with 35 different band councils and providing a variety of services for First Nations communities, again in response to Justice O'Connor's recommendation, in terms of OCWA being able to assist. We're proud to say that we have been significant in providing several levels of support.

First of all, we're providing oversight for some communities; again, approximately 35. We provide training and expertise. We assist them in terms of their ability to become self-sustaining. We are dealing with a lot of these First Nations communities in a very partnership-oriented role. Again, it's all about helping them become self-sustaining. So we've been doing that.

Also, as part of the INAC funding, there is what we call first response for First Nations communities. Originally we were providing first responders, so if any First Nations community had any issue, any challenge, they could pick up the phone and call and they would have a certified operator able to respond. We provided that for all of Ontario up until last year, and now we're providing that for all First Nations communities in southern Ontario.

Mrs. Maria Van Bommel: Is that drinking water and waste water, or is it predominantly drinking water that you're—

Mr. Dante Pontone: It's both.

Mrs. Maria Van Bommel: When you work with First Nations, how do you provide service into the north? Certainly, it's quite a different situation there than it is in southern Ontario. How do you handle things like the remote communities that you would have to fly into?

Mr. Dante Pontone: That's an excellent question. I'd like to begin answering that, and I'd like to ask George Terry, our vice-president of operations and First Nations communities, who is with us today, to walk you through an example of some of the challenges that we've had in the past. For example, we have been called into Kashewewan; and more recently, to a Pikangikum fire, an absolute tragedy which we were able to deal with. It's a combination of working with on-site operators and having remote technology where possible. OCWA just very recently received an international award for its SCADA systems—supervisory control and data acquisition—that allow us to actually monitor remotely and also control facilities. So this is one of the things that we're looking at. When necessary we also respond very quickly, within 24 hours, by arranging flights and flying into the communities. So it's a combination of immediate online support and, if required, follow-through support.

If I may, Mr. Chair, I'd like to ask George Terry to just give a few examples of some of the good work we've done in the past.

Mr. George Terry: I'll discuss a couple of the communities that we've had the privilege of working for. We were called into Kashechewan during the flood event that happened about 18 months ago. During that time, what we found—obviously, the water plant, the water system and the waste water system were taken out of service. We had to, as you noted, bring logistics into play. We had to bring in heavy equipment by barge to allow us to clean out the collection system, and we had to repair 36 hydrants and a myriad of different leaks—and line repairs. To bring the water system back online, we had to drain, clean and refurbish the water plant itself—as well as all sampling, obviously; all the protocols that are required.

The biggest challenge when working with First Nations, as you've noted, is logistics, our ability to still go see. Because of our SCADA, we can actually work with their staff and be a resource, so that helps after we leave the site.

But the biggest thing to take away is that we work with them in a partnering relationship. We're strengthening them in their compliance efforts, and no matter which community has called us to date, we've been able to positively go in and in a very short order, take the logistic challenges into play and bring their water systems or their waste water systems back on.

1310

Mrs. Maria Van Bommel: You mentioned that you fly in if there's an emergency. Do you go on a regularly scheduled basis as well to see how things are going?

Mr. George Terry: For all of the clients that are under what's known as the Safe Water Operations Program, yes, by all means. We're part of their contracts

with us, and we go on site on a continuous basis. So we help them through any assistance, any concerns, and we train their staff and bring all the technologies to bear as well.

Mrs. Maria Van Bommel: You bring training to them, or do they come out of the community to a specific site for training?

Mr. George Terry: We actually work with them at what's known as the Dryden First Nations community training centre, and we're part of that consortium. We supply the training and they bring their First Nations people to that site for training. However, if there is a concern—like in Kashechewan, where we had to go through some new technology, we actually went to the site and assisted them there as well.

Mrs. Maria Van Bommel: Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman has a brief question, and then Mr. Barrett's next.

Mr. Ernie Hardeman: I just want to deal quickly with the waste water. You mentioned in your presentation, Mr. Garrett, that the system is built on the relief valve overflowing and putting it into the receiving stream untreated to keep the pressure from blowing back into the houses, if it wasn't happening. In rural Ontario we have another sector of our society, agriculture, which has the same problem getting rid of the effluent, but they don't have any ability to just run it into the receiving stream if the pit won't hold it. The question is: As a government organization, how do we justify for the benefit of the people upstream that we can just flood it into their river without treating it when we don't do that for others?

Mr. Michael Garrett: You're talking about lagoons from the north and that sort of thing, from nutrient management programs, and perhaps Gail will have some comments on this. But I think the difference is—in the design of a sewage plant, you design it to a certain return frequency of flow. You make a design decision to be able to handle the one-in-two-year flow or the one-in-five-year, whatever it might be. You recognize that there are going to be certain flows—now especially, when we seem to have more erratic flows as a result of climate change or whatever—that you're not going to be able to handle. So it's that statistical breakpoint at some point.

I think when it's agricultural flows—you're getting this only from me as a non-expert—it's probable that it's predictable. You can predict the quantity of farm waste that's got to be handled, and so it would be more predictable than the kinds of flows we're dealing with when we're talking about stream flows, in effect, that are coming down the pipe and are erratic. So I see that being quite a different set of standards that would have to be applied for that situation—the agricultural situation, for lagoon storage, for manure, whatever—and the situation in a waste treatment plant facility.

Mr. Ernie Hardeman: In the treatment facilities, like you say, it's unexpected rainfall and the joint water and sewage in the same main that causes the problem. When you have your ministry looking at the times that we ran it straight into the receiving stream, do you have to justify

why that happened, or could it just be that the thing isn't up to capacity at all?

Mr. Michael Garrett: We have to report every time it happens. We have to report on that, and I'd have to ask staff to explain what analysis might happen as a result of examining that event. I just might mention, though, that we are getting better on that front than what was in the auditor's—another thing we were tracking in the auditor's report was the exceedances at our sewage treatment plants, and our statistics for 2008 are improved. But I wouldn't want to go to the bank with that, because those statistics on waste treatment plant flows are really a result of meteorological events more than they are an operational change. That's really the basis.

Mr. Ernie Hardeman: I'd just point out—it's not that I'm picking on OCWA for how they're running the systems, but at home, there is nothing that comes out more often than when there's an agriculture spill or there's an agriculture regulation coming out. Why don't the people at the province check on sewage treatment first? They're polluting our streams a whole lot more than agriculture is. As an organization that is run and owned by the province of Ontario, how do I justify that we are contributing to that?

Mr. Michael Garrett: I suspect that they are notified. When we have an exceedance, one of the things we have to do is notify the downstream operators. So if there's a water plant downstream of a sewage treatment plant, we have to advise them. The Grand River plant, for example, will stop processing water for a period of time until that surge passes by. But that question probably belongs better in the Ministry of the Environment than it does with us.

Mr. Ernie Hardeman: Okay, thank you.

The Chair (Mr. Norman W. Sterling): Mr. Barrett.

Mr. Toby Barrett: Thank you, Chair, and thanks to the Ontario Clean Water Agency and Environment.

The municipal water system down in Norfolk county is right in the midst of a fluoride debate right now. In fact, last November, county council and committee voted 6 to 2 to take fluoride out of the municipal water system. I understand that, to do that, they would probably have to apply to the Ministry of the Environment and make amendments to the certificate of approval that they would have to do that. That's my assumption. So they voted against it; they've deferred the question. Just last week, the acting medical officer of health for the area of Brant-Haldimand-Norfolk made a pitch for the fact that it's safe and economical and effective.

But the other side of the story has been presented as well, that the chemical involved—I can't pronounce this—hydrofluorosilicic acid, is corrosive and a hazard to employees that run this fluoridation system. One of the dentists talked about dental fluorosis. The county's worried about the cost. Now the cost is a little over \$43,000.

Another issue that came up—they talked about a situation in Hooper Bay, Alaska, where 260 people were poisoned by fluoride when it entered the water supply,

which I know it's supposed to do, but I guess it entered in too large a quantity. This was back in 1992.

I think the county council received most of their deliberations last week. I don't think they've made a final decision. I don't think they've applied to the Ministry of the Environment.

Are you getting applications from other municipalities to eliminate fluoride in the water? I know it's being debated in a number of other municipalities. Does the province have any say in this beyond a strictly environmental or EA decision-making process?

Mr. Michael Garrett: This would be for the Ministry of the Environment.

Ms. Gail Beggs: I'm going to do my best to answer a little bit. I may ask Paul Nieweglowski, who is director of our safe drinking water branch, to add to this. To the extent that we're unable to satisfy all of your questions, we will get back to you.

The Ministry of the Environment tests drinking water, or requires testing of drinking water, for 158 standards. Two of them are microbiological, 78 chemical, and 78 radiological parameters.

I'm mentioning this just to say that in Ontario, we have a comprehensive level of testing, and we have advice from the Ontario Drinking Water Advisory Council in setting the standards to be tested. That Ontario Drinking Water Advisory Council is made up of health experts, chemical experts and engineers, and they are always scanning the literature, doing the research, and providing advice to the minister on what needs to be part of this safety net for drinking water.

On the subject of fluoridation, my understanding is that it's a choice by the municipality whether or not to add fluoride to drinking water. I'm not a technical expert myself, but I've read of increasing public concern around fluoridation. We are getting questions about fluoridation and, in terms of a municipality making a decision not to add fluoride to the water, I'm uncertain whether we would have to adjust—I think you were asking if we would have to adjust to the certificate of approval if they made a change like that. I'm going to ask Paul Nieweglowski, our director of the safe drinking water branch, if he can take it a little bit further than I have.

1320

Mr. Paul Nieweglowski: The addition of fluoride, as Gail Beggs had indicated, is at the discretion of the municipality in consultation with the local medical officer of health. If it is deemed that fluoride is to be added, they request that the fluoride levels that are going to be added to the drinking water be included as part of the plan—as part of the certificate of approval and as part of the operational plan of the facility. If it is decided at any point in time by either the municipality or the local medical officer of health to remove the fluoride from the drinking water, then once again we're contacted and we would do so.

Mr. Toby Barrett: I understand the region of Niagara passed a bylaw to discontinue fluoridation in their water. This comes from the media. Are you aware of any

municipalities applying to MOE to scrap this certificate of approval?

Mr. Paul Nieweglowski: There are a lot of municipalities throughout the province of Ontario that are engaged in very serious discussions on whether to continue to fluoridate within their systems, and the one thing that is constantly taken into consideration is the naturally occurring fluoride levels that exist, so there are a number who are investigating whether or not they want to continue.

Mr. Toby Barrett: Okay. Thank you.

The Chair (Mr. Norman W. Sterling): Can I just ask a question? In response to Mr. Garrett saying that the microbiological incidences had gone quite dramatically—did you say from 145 to 70?

Mr. Michael Garrett: Yes, that's correct.

The Chair (Mr. Norman W. Sterling): What do you attribute that improvement to?

Mr. Michael Garrett: I'll ask staff to comment. It could be that part of it was due to different source water conditions, which would be beyond our control, but part of it—what we attribute it to—is increased operator vigilance and better training programs for our operators, so we're more timely with respect to observing things that might have the potential to go awry and fix them before they become a problem. But I would ask Dante or staff if they've got anything to add to that.

Mr. Dante Pontone: I'd just reiterate the fact that adverse water quality incidents are an important indicator for operators. Again, many of them have to do with source water, so what that allows the operator to do—and again, we don't have control and design of the facilities, but as operators, we can make certain operational changes. We could be looking at different chemicals to treat the water, but it's important because these do give the operator good information on what we need to do and what we possibly can do.

Again, I would also attribute that to the fact that we continue working with the owners—the municipalities—and making recommendations. Capital improvements are made. We work on short-term and long-term capital improvement plans with these municipalities to deal with some of the issues and challenges they have, always with the intent of continuously improving the end product.

The Chair (Mr. Norman W. Sterling): So you can't point to any particular action on the part of OCWA to reduce these? Did you change training programs? Did you increase the frequency of them? I guess what I'm trying to do is figure out what it was, because the next question I'm going to ask the deputy minister is, are there now less than 538 incidences in the other facilities across the province? Can she take your experience and transfer it for best practices to our other plants?

Mr. Dante Pontone: I can say that I think it's part of the entire sort of multi-pronged, multi-layered approach to ensuring safe, clean drinking water. Clearly, training, as you've mentioned, the certification and training of operations, ensuring we have good standard operating procedures, and again ensuring that there is a focus on

continuous improvements—so there are many of these items that do attribute to the resulting end-quality product. I think at this point I'll turn it over to the deputy.

The Chair (Mr. Norman W. Sterling): Deputy Minister, there are 530 incidences that were recognized in 2006-07. Is that number smaller, bigger or the same at the present time?

Mr. Michael Garrett: Mr. Chairman, may I interject just for a second, because I don't want to surprise anybody. This is a number that appears in our board report of last week that was for calendar year 2008, which is our calendar year. It is not the ministry's fiscal year. So there's always some—but it's still for 12 months. I just wanted to make that point.

Ms. Gail Beggs: Chair, I don't have that information with me, but I can undertake to get it. I could offer some comments on, if indeed there is a decline in microbiological exceedances, some of the things that the province had put in place that OCWA, as an operator, and others, municipalities or the private sector, when they operate, may have benefited from in terms of the framework. By this, I'm referring to the Safe Drinking Water Act, with large requirements for enhanced certification of operators, including training—very significant. I think in a recent independent examination of the province's requirements, we were found to be the best amongst jurisdictions such as New York state, Pennsylvania, a province in Australia, New Zealand, the United Kingdom, and the Netherlands. I think that's a very significant piece of the puzzle.

Secondly, the province, as I said in my opening remarks, has been working to implement all 121 of Justice O'Connor's recommendations. Recently passed clean water legislation has in place over 40 source water protection planning exercises. Where this becomes important is that, to the extent that we can make decisions on the land base that result in improved source water protection, it means that we require less in terms of capital design of facilities or operating procedures to protect water. So if we enhance protection at the source, that's another part of the safety net.

I talked earlier about the Ontario Drinking Water Advisory Council and scanning the literature and making sure we're monitoring for all the very most important parameters and that the levels at which we ask facilities to operate are the most protective of public health.

Another important part of the safety net that the province has been working on is investments in capital infrastructure. Municipalities have that responsibility to bring their infrastructure up to provincial standards, but the federal government and the provincial government, along with municipalities, have made progressive investments in water treatment, waste water treatment, and separation of sewer systems. I know members of the standing committee will appreciate a long list to keep working their way through, but over a period of time we're continuing to make significant investments there. We in the Ministry of the Environment advocate on behalf of these kinds of investments to our counterparts in the Ministry of Energy and Infrastructure in terms of

capital priorities for the province. We also advocate to our federal counterparts for them to make it a part of federal infrastructure investments.

Finally, I would add that at the recent meeting of provincial and territorial and federal ministers of the environment, I think probably 10 or 11 jurisdictions embraced a new federal waste water effluent standard. So once again, by embracing that standard and bringing that in in provinces and territories—Ontario was one of the provinces that embraced that—we're upping the quality of water coming out of waste water treatment plants that goes into lakes and rivers. That then has a protective effect for those municipalities that draw their drinking water from surface waters.

1330

The Chair (Mr. Norman W. Sterling): Thank you. Mr. Tabuns, do you have some questions at this time?

Mr. Peter Tabuns: I do. I apologize, because I got hauled out there. Could you tell me what you're going to be doing to reduce the number of drinking water incidents at OCWA facilities so that they're below the provincial average for non-OCWA facilities?

Ms. Gail Beggs: I'm going to let OCWA start, and to the extent there's a policy issue, they'll pass it back to me.

Mr. Michael Garrett: I'll just kick it off. We are looking at that measure, as I said, and tracking it is a good indicator for us. We want to understand precisely the source of the problem and where it came from. For example, one of the things that we have to look at—these indicators can be system-wide. In some cases we're dealing with plants, as an OCWA contractor, and in some cases it's the municipality that's dealing with the distribution system, so we have to make sure we can separate where the incidents arose from and deal with it on that basis. So we're taking the Auditor General's advice, actually, and taking our measurements further so we can drill down and better assess exactly where the problems are and where they come from.

Staff, of course, on a particular incident always have a better idea. It's a matter of recording it so that we know, at our level. I'll turn it over to Dante, to have him elaborate, perhaps.

Mr. Dante Pontone: Thank you, Michael. Again, just to add to what Michael has said, it's important to understand that adverse water quality incidents—these are samples being taken from source to tap. Of course, OCWA, in terms of just focusing on what we can do, as Michael said, and just reiterating the auditor's recommendations—we are focusing on identifying if there are any systemic issues. Are we seeing issues over and over again? We've done that. It's not that we haven't done that regularly; we've done that, but more at what we call the hub level. But now we're looking at that more at a corporate level and ensuring that information gets to all levels of the organization. Again, it's important to understand that on the microbiological—I'm not sure if you were out of the room at the time—we do outperform the rest of the industry. We keep working—

Mr. Peter Tabuns: Yes, I noticed that.

Mr. Dante Pontone: Yes. The other point is, and I think Michael mentioned it in his opening remarks, that we operate over 70% of the small rural systems in Ontario, and they are more challenged. Again, the majority of them are source water.

So we continually work in partnership with our client communities to say that if there are things we can do from an operational standpoint—and that could mean infrastructure capital improvements within the facility in terms of working with them, or it could be as simple as changing a chemical. That's what we can control. We continually work with our client communities to reduce that number.

Mr. Peter Tabuns: Okay. The second question has to do with radiological contamination. I noticed that you had no incidents, as opposed to one incident in other systems. When you talk about radiological contamination, are we talking tritium or other substances?

Ms. Gail Beggs: I'm going to bring up our director of the safe drinking water branch in the Ministry of the Environment. I'll just note—I'm not sure if you were out of the room when I mentioned this, but we require testing of two microbiological standards, 78 chemical standards and 78 radiological standards in the province. I'm ragging the puck here while Paul gets his notes just to answer your question directly.

Mr. Peter Tabuns: That's fine. I'm happy to wait.

Mr. Paul Nieweglowski: Radiological parameters: As has been indicated, there are a number of different types of radiological parameters that are monitored on a regular basis, one of which is tritium. There are a number of different radiological elements that are also sampled for.

Mr. Peter Tabuns: I assume that the tritium standard is the province of Ontario's standard for tritium in drinking water.

Mr. Paul Nieweglowski: All of the standards that exist have been established through the Ministry of the Environment working collaboratively with the federal government, Health Canada, in establishing the standards.

Mr. Peter Tabuns: Right. But you don't set the standard. You work within the framework that the standard provides.

Mr. Paul Nieweglowski: That's correct.

Ms. Gail Beggs: Just to add a little bit which might be of interest to you if you weren't in the room: The minister has an advisory council on drinking water quality and testing standards. This council is made up of 15 members and they represent academia, industry, municipalities. They come from disciplines: chemists, microbiologists, engineers, public health experts. They advise on the standards that should be in place for the province of Ontario.

Mr. Peter Tabuns: Leaving aside the water supply for the moment then, the question of biosolids and sewage sludge: I notice in the auditor's report a concern about tracking, "...biosolid haulage records were incomplete for several facilities ... daily records couldn't be located." You note in your response that you're going to

be dealing with that. Could you give me a bit more detail on how you're going to be dealing with that?

Mr. Dante Pontone: Yes. What we've done is, we've implemented a standard operating procedure across the entire organization, which specifically ensures that all of the haulage record forms that are completed—first of all, they are completed, and the fact that we are looking at ensuring that the daily and seasonal loads are not being exceeded. Again, we're always working in co-operation with the haulers. Based on the auditor's recommendations, and we appreciate that, we are also ensuring that we're collecting this information, reviewing it and bringing it up through the organization. So we're ensuring now that all records are complete. I think the auditor recognized that there were no incidents, and certainly all the samples were being taken, but with this new procedure in place that will happen.

Mr. Peter Tabuns: Okay. The health and environmental impacts of spreading biosolids on lands in Ontario: Is it your responsibility for monitoring those health and environmental impacts?

Mr. Dante Pontone: No.

Mr. Peter Tabuns: Fair enough. There's a lot of concern about spreading biosolids on farmlands. Are you monitoring the emerging research on the health impacts of spreading biosolids?

Mr. Dante Pontone: No, we're not.

Mr. Peter Tabuns: Do you see it as your responsibility to? I assume not. If you saw it as your responsibility, you would. Maybe the Ministry of the Environment can speak to that.

Ms. Gail Beggs: It's a good question. Ontario is following literature on biosolids. We're working on a revised regulatory framework on biosolids and other non-agricultural source materials.

The Canadian Council of Ministers of the Environment that I mentioned before has a biosolids task group that we're part of. One of the great advantages of working in that forum is that we can share work across Canadian jurisdictions because each of our jurisdictions is interested in being progressive, so they are looking at it.

Some of the issues that people are concerned about and that are being focused on are pharmaceutical residues in biosolids—personal care products. So this is an active area of exploration and an area where we will look once we have good science and have done the consultation, making sure that our regulatory framework is up to date and protective.

Mr. Peter Tabuns: Is OCWA or the ministry considering phasing out the application of biosolids to farmers' fields, to food lands?

Mr. Dante Pontone: I would say that, right now, we're meeting all the regulatory requirements and we continue to land spread. It is the cheapest alternative for many communities. It really is outside of OCWA's purview, actually; it is the municipality that really dictates what they do with their biosolids.

1340

Ms. Gail Beggs: I couldn't say that we were thinking of phasing it out, but what we would be for sure looking at is upping our standards around application, as the science dictates that we need more protection. I'm afraid I can't anticipate whether we'll be there or not, but it is an area where we are actively monitoring the research results and the literature and, as I said, working across Canada.

There's increasing interest in biosolids as a potential fuel, and there are other factors that are driving interest in biosolids, so there may be room to explore other disposal practices in the future rather than land application. That may impact where biosolids ultimately go, but we take our role in both establishing standards—and once those standards are established, making sure through inspection that people adhere to those standards. That's an important piece of the business of the Ministry of the Environment that our inspectors watch for constantly.

Mr. Peter Tabuns: Thank you. Do I understand correctly that certificates of approval for biosolids spreading are being phased out and that the application of biosolids will be governed by the Nutrient Management Act in future?

Ms. Gail Beggs: I'm going to have to get back to you on that. I apologize; I can't answer you right now.

Mr. Peter Tabuns: Fair enough.

Ms. Gail Beggs: I'm happy to do that, though, and I will undertake to do that.

Mr. Peter Tabuns: Okay, thank you. No further questions, Chair.

The Chair (Mr. Norman W. Sterling): Thank you. Mr. Berardinetti?

Mr. Lorenzo Berardinetti: Thank you, Mr. Chairman, for the opportunity to ask a question. My question really is directed, I guess, toward the Ministry of the Environment. The auditor, in the report here, noted that there are a significant number of adverse water quality incidents that occur on an annual basis. I just wanted the ministry to put some context around these numbers on adverse water quality incidents. Of all the drinking water analysis that is performed at municipal water treatment plants, approximately what percentage, would you say, of the test results come back as being adverse?

Ms. Gail Beggs: I'm going to ask Paul to join me and correct me if I go astray on this, so to get my backup plan here. It's a great question. The year that the Auditor General focused on, I do have some information: It's less than 0.5% of adverse water quality incidents. Are those the right AWQIs? Out of over 500,000 reports, less than 0.5%. It's actually 0.17%, so a very tiny percentage. Am I right, Paul, in that?

Mr. Paul Nieweglowski: Correct.

Ms. Gail Beggs: And I don't know if you can offer—is that unusually low, or would that be a typical kind of year for adverse water quality incident reporting?

Mr. Paul Nieweglowski: I think it's important to note two things. One is that the adverse water quality incidents, as you've been told, are occurring from a sample that's been submitted and consequently, a lab reports that

it's in exceedance of the Ontario drinking water quality standard. The adverse water quality incident itself does not mean that the water is unsafe. It truly reflects the fact that there is an exceedance, and if this is left unabated, there is a potential problem. So it's a mechanism for the ministry to be notified of the incident and to be able to react to it.

The number of adverse water quality incidents—we receive well over half a million samples a year and, as Gail Beggs had indicated, the percentage is extremely low as to the number of actual adverse water quality incidents for the number of samples that are submitted annually.

Ms. Gail Beggs: Maybe just because I know adverse water quality incidents will be of high importance publicly, and to members' constituents, it's important to say that in the Ministry of the Environment, when we get one of these exceedances, works with the owners and the operators to resolve the cause of that. The mitigation for those things could be as simple as flushing; it could mean discussions with a local medical officer of health; and if it was serious, a boil-water advisory or drinking water advisory.

We talked earlier about how some of these exceedances may be a result of naturally occurring elements in the source water and not of a human health risk nature. We also talked about the ministry working with municipalities and operators with advice around what kinds of capital investments might be made to avoid these in the future. Earlier, I was able to talk to the committee a little bit about the full range of safety nets—everything from having these very stringent standards to what is new and future-oriented source water protection planning that communities are doing now. As well, the province has made and continues to make big investments in making capital available for municipalities to help them make the kinds of investments that are necessary to avoid these incidents in the future.

I think one of the things I would want to say to the committee is that the government of Ontario and the Ministry of the Environment have worked really hard to put in place what we think is an excellent safety net in the province. We feel we have, through all of these mechanisms and some of the things we talked about earlier—operator training requirements, certification—very safe drinking water. I was pleased to be able to partake today. It's a practice in the Ministry of the Environment to use our drinking water, because we feel very confident in it.

Mr. Lorenzo Berardinetti: Just as a follow-up, if I may, if you're dealing with a smaller municipality or perhaps a more remote part of Ontario and you were to find an adverse report, how do you ensure that the municipality or the location, wherever it may be, adheres to or makes the necessary changes? What follow-up does the ministry do? Do they send someone up there, or do they just rely now on—

Ms. Gail Beggs: I'll start, then maybe Paul can amplify a little bit. They're required by regulation to report to us. We have an inspection system. We have,

actually, a division in the ministry that concentrates on drinking water. They have a series of inspectors that are located around the land base. In our district and regional offices, they do both planned and unplanned inspections. They're there to pick up if people don't report, as well if they do report, to work with owners and operators on how to mitigate the incident.

Paul, do you want to add to what I've said?

Mr. Paul Nieweglowski: Sure. In addition, I think it's important to realize that the notification process is extremely stringent and that it's immediate notification verbally by the laboratory to the Ministry of the Environment and to the local medical officer of health. That ensures that two agencies that have direct responsibility for providing guidance to the operator/owner—that is done in accordance with the regulations and is done effectively and quickly.

The notification goes out; the ministry and the local medical officer of health have discussions about what they're seeing; they talk to the operator/owner to ensure that corrective actions are done; and as the corrective actions are done, there may be an actual site inspection again or a meeting, or several, depending on the nature of the adverse water quality incident. So it's immediate notification, it's immediate response to corrective actions, and it's follow up to that. After the incident has been corrected, there is a requirement for a corrective response report to be submitted to the ministry within seven days of corrective actions.

1350

Mr. Lorenzo Berardinetti: Since Walkerton, some of these are obviously new recommendations that have come forward and have been put into place, and there haven't been any situations that come close to Walkerton. Is it correct to say that?

Ms. Gail Beggs: Maybe I'll start, and Paul can comment on specifics.

Mr. Lorenzo Berardinetti: At least that you're aware of.

Ms. Gail Beggs: Yes. The Ministry of the Environment has been working really hard post-Walkerton, both before and since Justice O'Connor's report on Walkerton. Two new pieces of legislation, the Safe Drinking Water Act and the Clean Water Act, have been put in place. Under the Safe Drinking Water Act there are very stringent testing requirements and operator certification requirements.

We talked a little bit earlier in today's committee about why we think some of the incidents may be declining. I think it's in part due to the extra vigilance of that kind of framework. I think, though, the Ministry of the Environment are partners in caring about this with local medical officers of health, owners and operators. All of us are really committed to making sure that we don't have another Walkerton. The framework is one thing, but you need the absolute commitment of all participants, from source to tap, to make that happen.

In terms of what kind of incidents or whether we've had any issues at the level of Walkerton, I'm going to turn to Paul to answer that.

Mr. Paul Nieweglowski: To begin with, since Walkerton, the drinking water safety net that has been put into place plays an integral part in ensuring that the ministry is able to do a number of different things. The basis of what's happened after Walkerton is that the number of adverse water quality incidents we get is part of a regular reporting regime. The safety net has a number of key elements that just continue to ensure that we are notified, that there's proper testing and that we respond as quickly and as effectively as we can. That's what we've done since the implementation of the safety net. I would add that jurisdictional scans have certainly shown that Ontario is a leader as far as drinking water and the safety net that we have implemented.

Mr. Lorenzo Berardinetti: Thank you. Those were all my questions.

The Chair (Mr. Norman W. Sterling): Mr. Lalonde.

Mr. Jean-Marc Lalonde: Once again, thank you for being so successful in your operations. I've been working with you people ever since I got elected here in 1995, and my first visit when I got elected was to you people to see if you were in favour of a regional system. Everyone should have gone that way, but the engineers were against it because, looking at my area, there were nine water plants suggested, and there would have been probably seven engineers that wouldn't have got the work. That's why they all went for it, and it's going to cost today over \$100 million more than doing it at the time.

The question I have: You said a little while ago that the downstream municipalities are advised when there's a spill or an overflow. You don't operate the city of Ottawa?

Mr. Michael Garrett: No.

Mr. Jean-Marc Lalonde: I could tell you it's costing all the municipalities downstream a lot of money for that mistake that they've made. I think they've paid a big fine on what happened there. We also had some overflow in my own area and outside my Glengarry–Prescott–Russell riding.

My question would be: Whenever there's an overflow due to capacity, what is the responsibility of OCWA when there's a spill or an overflow within a municipality? Do they advise the municipality in writing or by phone? That is the question. Secondly, would they be looking at what is causing the overflow to occur?

After doing my investigation, I found out, having received phone calls from a retired engineer—he told me, “Mr. Lalonde, you'd better take a look at it. They all have the storm sewer connected to the sanitary sewer system; they all have the eavestroughs connected to the sanitary system; they all have the sump pump connected,” and don't have a water meter.

I sat down with your people and I said, “If you were to recommend that, first of all, they come up with a water meter, they would gain a capacity of at least 25% of the capacity that this sewage treatment plant could take.”

I'm told that it's not the responsibility of OCWA to come up with those recommendations. But your experience and the good work that you've been doing: I wish you could take the step of advising them that what they

should do to reduce the capacity of their sewage treatment plant especially, because I was against the water meter. I'm just giving you that example from when I was the mayor of the town. We were taking up to one million gallons a day—gallons, at the time. When we got the water meter, we brought it down to 250,000 a day. So, today, I'll tell you that I'm preaching to have water meters installed in every place. There are places that got a grant lately to install water meters but they're not in operation.

My last point would be: When it comes down to a new water system in a municipality, what I've never agreed to is that the Ministry of the Environment tends to ask if there's a water source around the aquifer when we are right on the Ottawa River. I could tell you that they had to drill five wells, and a few years after, the five wells are tapped. It cost an awful lot of money to the taxpayers in the area. We just completed one, which is opening next month. The other one, the opening was done about six months ago. They were all on aquifers instead of going to the Ottawa River. I keep telling them that the best water source is right there. It cost \$250,000 at a time to do a survey to find out if there's an aquifer that could give the water to the municipality when the water source is right there.

So I'd just like to know if you have a responsibility to advise or to recommend to the municipality when they apply.

Mr. Michael Garrett: Several people can comment. First of all, I thank you for your comments.

I'm familiar with some of the municipalities in eastern Ontario. I used to work down there on the South Nation basin for a while, with some of those water problems.

One of the partnership things that we do with the municipalities is advise them if we think there are things they can do to reduce the usage in the waste treatment plants—by sewer-eavestrough separation, for example—and we work with them in that regard, as we do with a lot of municipalities.

It's a fair statement, and I'm certainly a fan of user fees, but the user fee decision, the way that a municipality decides to raise the money to pay for the operating contract, is a council decision, not ours. OCWA essentially invoices the municipality, and the municipality decides if it wants to have a user fee or a combination of user fee/raise it from taxes.

1400

Like you, I would be a fan of 100% user fees because I think that has a direct impact on conservation of the resource. When people see exactly what things cost, they tend to handle it differently, so I certainly agree with your comments. But we don't have a decision to make on that. That decision is made by the client municipality or the client Indian band, as the case might be, as to how they raise their funds.

With respect to the other issue about searching for water, that's the client's responsibility. We might get involved—I stand to be corrected on this—if the municipality asks us to assist with some of the engineering, but I haven't heard about that. Dante might want to comment

on that. I think that's mainly the responsibility of the municipality to work with the Ministry of the Environment in terms of the search for water. I know the problem that you speak of and I think it varies dramatically from place to place around the province. It's really a local circumstance. It depends on the water quality and the quantity that's available.

One of the problems with the Ottawa River, I guess, is that you could have that plume coming down, which affects quality, and it might mean that you'd have to have more treatment facilities to balance off the ease of getting to the water. That has to be considered in the decisions about wells or surface water sources. It's all part of the consideration, but really, that's a ministry issue.

Ms. Gail Beggs: Maybe I can offer a few comments, and then I will introduce Franca Dignem. Franca's our regional director for the northern region. In the Ministry of the Environment, in our operations divisions, the lead responsibility for different statutes and programs rests with different regions. Franca's region takes on the coordinating role around waste water, so she may be able to add a little bit more.

I understand that the concern with bypass and exceedances originated from the city of Ottawa. I just wanted to say that the Ministry of the Environment requires all owners and operators who have bypasses or exceedances to report to us. We have a spills action centre that operates 24/7, and it is a requirement to report. We make sure that direct downstream municipalities know and take precautions—

Mr. Jean-Marc Lalonde: You're not aware?

Ms. Gail Beggs: We would need to look at that particular circumstance. But that is our normal operating procedure.

I can also tell you that in Ontario there are 106 municipalities that have combined sewer systems, so the potential for things like this to happen—what we do ask of them is that they develop a pollution prevention and control plan so that to the extent they're able, they can avoid bypasses, because we understand very much how this can affect downstream operations. We at the Ministry of the Environment work with municipalities on those plans. We also work at providing advice on the kinds of capital infrastructure priorities that can help avoid those kinds of situations.

I know that in the municipality of Ottawa, there has been recent prioritization of capital investments, some provision of additional funding to Ottawa to help remedy the situation that has led to bypass and exceedances. You are right; they did receive significant fines. I think the total fines were well in excess of half a million dollars for the most recent incident.

On the issue of tapping aquifers or surface water for drinking water, I'm really not sure what role the ministry plays. I can assure you that if municipalities come to us for advice, we offer our best advice or suggest to them others who can help them in their search for water. We certainly provide them with information about source water from our databases and support them in whatever

way we can in making decisions about how to source their drinking water.

Franca, is there anything that you'd like to add? Are there any more details that you can add?

Ms. Franca Dignem: Sure; thank you, Deputy Beggs. I'd just like to add, reflecting on a comment that was made—sorry, I didn't catch who it was, but I just want to make it very clear that the municipalities are indeed expected, through policy, legislation and certificates of approval, to promptly report all bypasses and overflows to the ministry and the local medical officer of health. In fact, we will be sending out a communication this year to remind municipalities of their reporting requirements.

I'd just like to—

The Chair (Mr. Norman W. Sterling): Can I interject and ask a question? Is the report made public at that juncture, and if not, why not? Why shouldn't the public of the city of Ottawa know when there was a problem? We understand, from history, that the Ministry of the Environment was aware of this problem for a year, and the councillors of the city of Ottawa had no idea that this had gone on. The staff at the city of Ottawa didn't pass along that information. Why is this not made public information so that the citizens of a particular municipality know there's a problem?

Ms. Franca Dignem: I'd just like to clarify, if I could finish that point I started on.

There are, however, two exceptions. The exceptions where they do not or are not expected to promptly report would be, number one, where a notification is provided in advance of a bypass resulting from a planned maintenance. So we know that or we anticipate that something will be happening. The second instance is when municipalities with combined sewers are expected to have long-term plans. This is what Deputy Beggs was explaining and elaborating on, the pollution prevention control plans, where we work very closely with municipalities. It's a staged approach to assist in the—we would love to say prevention, but to assist in the planning for incidents that may occur. Thus, through discussion with staff and expertise, we can be better prepared to respond. It's important to note here that as of 1985, the new combined sewer construction is no longer allowed, so we can sort of put that aside for now.

In response to your question, Mr. Chair, with regard to whether this is public, I can assure you that incidents—and I'm referencing spills versus bypass, because there is a subtle difference. In that case with the city of Ottawa, it was a gate malfunction, if you will. We require, when incidents occur, that they are reported immediately, and they do go through the ministry's Spills Action Centre. It's a 24-hour, seven-day-a-week service. As soon as we can step in with adverse-quality-type incidents, SAC employs environmental officers from across the province to address, assist, respond and support in these types of incidents. So there is definitely a response.

In the situation with Ottawa, as you probably know, back to your question earlier, the city is currently implementing a real-time control project where we will have immediate response. That information is public; the in-

formation that is reported on incidents and spills is public information. There's certainly transparency—

Mr. Jean-Marc Lalonde: Just to carry on with what the Chair just said, that problem that they had in Ottawa has caused the closure of a tourist camping ground that is owned by the province. And in the end, they had to build a new water plant, which they could have prevented, probably, if they knew where it was coming from. They didn't know that was causing the problem. It was only a year after that we were advised—even more than a year.

The Chair (Mr. Norman W. Sterling): My argument is less with the ministry, because, as I understand it, the ministry informed the staff at city hall about the problem, and the staff kept that from the councillors and from the public in terms of any public knowledge about this. So I'm less concerned about that being a problem with the ministry, but if it had been public knowledge, if it had been put on a website, if it had been out there, then somebody would have picked it up, and therefore the result wouldn't have been as disastrous as it turned out to be. My concern is that the public, the community, find out as soon as possible where these incidents, exceedances or overflows occur, and in a timely fashion.

Ms. Franca Dignem: I do appreciate your concerns, absolutely. It's important to clarify here that if there is a health risk identified, the medical officer of health is the body that will determine that appropriate notification to the public and the immediacy of that.

The Chair (Mr. Norman W. Sterling): Well, okay. I don't agree with that, but that's fine. That's a policy issue.

Any more questions? Do you have some questions, Mr. Ouellette?

1410

Mr. Jerry J. Ouellette: Yes, thank you, Chair.

Thank you for your presentation. Just to follow up on some of the questions that have come forward, you spoke about the health risk, and earlier on we had conversations about—I think it may have been Ms. Sandals who spoke about the iron content. Locally, we get issues where fire hydrants are backwashed or cleaned out and you get a lot of backwash through the systems, and we as regular MPPs would get calls because all of a sudden their water has turned red. Is there any reporting requirement to let us know, or what is the reason for that? The first thing when you call to find out what's going on is that they tell you, "Well, flush it out and don't use any hot water." Can you give us some insight on what the protocols are on this and the reasonings why?

Mr. Michael Garrett: I'd have to turn that over to our staff. I know fire hydrant flushing and the chlorine content at the end of a line can be a problem, and so they have to run it or open the hydrants from time to time to keep the chlorine content up.

Mr. Jerry J. Ouellette: Okay, that would be—

Mr. Michael Garrett: Do you have an answer on that, George?

Mr. George Terry: Yes. Hydrant flushing: one of my part-time jobs. Actually, it's an integral part of water

quality management. Thanks, by the way, for your comment on meters. That's great, because I've always been a metering proponent. But your comment on hydrants: We, as part of our service to our clients, flush our distribution grid on an annual or biannual basis based on their source water. Now, by that I mean that if you do have an iron or manganese problem in your source water, chances are that, due to the flow throughout your distribution grid, in various areas throughout your distribution grid you'll get more sediment formation on that line.

What that does, to make it easy, is it forces you to use more chlorine, which also causes secondary concerns, whether it's trihalomethanes or others, by using too high a dosage of chlorine. So the easiest way around that and the proper way of doing it is flushing. When we do flushing, we work with our partner, the municipality, and the regulator. We inform the medical officer of health as well that flushing is about to take place and its timeline. We usually run at night, so you don't see us that much, but we run from 6 p.m. to 6 a.m. We fire Styrofoam swabs, as you know, through these various lines and flush the iron, manganese or whatever the particulate matter is out of the line and it's captured. That chlorinated residual is then taken out by a chemical known as sodium thiosulfate, and then it's returned back to the collector.

Mr. Jerry J. Ouellette: So how does the backwash come to the point where it comes back into the households, then?

Mr. George Terry: Well, it should never come back into the household. That's a separate matter altogether. If they're getting water back into the household, that's not from flushing. That's from something that's happened either in the piping construction or some way in which—

Mr. Jerry J. Ouellette: Because even from personal experience on my own street, the same thing has occurred on a number of occasions, where the explanation that comes from the water department is that they've been flushing the lines and that's why—

Mr. George Terry: Oh, I see what you're—there's one way that it can happen. What we do is we retain the effluent, the water that's been released, we treat it, as I mentioned, to remove the chlorine residual, and then we decant it at a speed that the collector is capable of handling. If you were to just—you're right—open a hydrant and flush it and then it was captured by a collector, then it's going to surcharge. As you know, the math says that once you create 2.31 feet, you get a PSI which comes up into your basement.

Mr. Jerry J. Ouellette: So if that's the case, then, the response from the water departments, "Just continue to flush it until it's no longer there and then it will be safe"—how do you determine in a household when it is safe and when it is not safe based on iron content? Most of the time it appears to be rust as the colour that's coming through.

Mr. George Terry: Yes. This is aesthetic. This is why we're doing the flushing. This isn't for microbiological—we're doing it for aesthetic reasons. And you're right:

We usually—well, we always do. We notify the area of town not to do laundry, not to run tubs, things like that, for a period of about 48 hours. The goal is—and there's always going to be some residual, but this becomes less and less, the more the distribution grid is a proponent of flushing. In other words, if you do it once every five years, you have a higher residual when it happens. If you do it in the spring and fall, you have a proper communications cycle and you won't have that residual.

Mr. Jerry J. Ouellette: Okay. So is there anything that the public at large should be concerned with when they get this rust-coloured water coming through?

Mr. George Terry: I know it's a concern any time you see a discoloration in your water supply. However, conversely, it's a positive: People are actually paying attention, making sure that the water quality is maintained. They do that by cleaning your pipes; making sure that if there is a fire, you have the capability of meeting the fire demand of 1,800 GPM or whatever it is for your municipality. These are all integral parts of proper distribution grid and water treatment plant maintenance.

Mr. Jerry J. Ouellette: That's great to say, but when the 80-year-old individual down the street calls to say their water isn't safe anymore because it's red, it's hard to explain to them, "No, this is in your best interests." We just want to ensure that it is safe water to drink when this process takes place, to make sure that we can convey that to our constituents on a regular basis. From what I'm hearing, it is—but just flush it out. There is no level by which it is unsafe when they do this process?

Mr. George Terry: No. Don't forget, during the process, when it's taking place, we've isolated the water going to these homes, or we've supplied a secondary source to these homes. They're not feeding off the same line that's being flushed. After the flushing has taken place—and by that flushing, I mean the pig has been removed, and then the secondary water has been flushed through the lines, captured and decanted; after the chlorine residual has been removed—we go back to the homeowners and bring back on their lines.

You're right: That still means that some homeowners from time to time will get a little bit of iron or manganese or whatever the particulate matter is, but it's going to be 100 times better.

Mr. Jerry J. Ouellette: Just to continue, the chlorine deposits were mentioned. There are some concerns about the level of chlorine; that there's a chlorine taste occasionally. I've talked to water department individuals who say that the closer you are to the source, the stronger the taste will be. Can you explain the exact process and how that works or doesn't work? If you're supposedly at the end of the line, it's perceived that the water's always safe, but are we sure? Is there any notification? How do you know when chlorine is being added to the level that you can actually perceive or taste it?

Mr. George Terry: Just so you know, when chlorine is added, it's automatically monitored. So we know exactly how much we're putting in at any given time. Based on the size of the distribution grid and the storage

facilities that may be in that grid, there will be secondary monitors that monitor that chlorine residual 24/7. On top of that, when anybody goes around and does his bacteriological analysis of the AWQIs, they also take chlorine residuals. So they know with their hand-held devices what the chlorine residual is at any given time.

We base our chlorine residual on the regulatory requirements put forward by the province of Ontario for what's safe inside of a distribution grid. For a distribution grid, believe it or not, you can actually have a chlorine residual as high as four. For most distribution grids, we carry a residual around one.

Chlorine is—everybody hates it and everybody loves it, but there are two sides to it. It's a great way of ensuring that your water system is always safe. By having that residual there, you know that there's no bacteria.

Mr. Jerry J. Ouellette: Some of the other aspects, then: It was mentioned that the previous year was the wettest year. What was the impact on the water systems, being that there was so much rain? Has it affected the water systems in additional costs, reduced costs? Was there any change in all that? Were there overflows? How did that impact the system? I'm just wondering about when you have low years and high years of annual precipitation.

Mr. Dante Pontone: Let me begin. Yes, it definitely impacts our ability in operations. Many of our contracts are designed such that we take flow into consideration. Again, many of our contracts are fixed-price, so we understand that it has an impact on our bottom line of being able to deliver and the cost of delivering. Clearly, any time we have excessive flows, some of our highest costs in running these facilities are things like the chemicals that are used, electricity, gas. So that has significant impact to OCWA and the community that's being affected. Clearly, when we have a year of significant flows, there's a lot of discussion and adjustment and reconciliation with our clients at the end of the year.

Mr. Jerry J. Ouellette: For example—and I'm going to give you something that I'm sure the members would be somewhat unappreciative to hear—we had a very wet year locally last year. In previous years, a lot of people didn't water their lawns, so the local water department had to increase prices because they didn't make enough money. When you have wet years, how does that affect your bottom line to the taxpayers out there, when they're paying for these costs? Is it better or is it worse? In other words, this spring—because it was a wet year last year. The bottom line, when the water department looks at it and says, "We didn't make enough": Are we expecting an increase or a decrease in rates?

1420

Mr. Dante Pontone: As I mentioned, in terms of OCWA's contractual arrangements with its clients, if there's a wet year, there will be adjustments and reconciliations in most of our contracts at the end of the year. That will mean increased prices for the community.

Mr. Jerry J. Ouellette: It was also mentioned—a follow-up on Mr. Tabuns's comments regarding the

biosolid aspect; this is mostly for the deputy minister. Fish hatchery discharges are a complex issue, and part of the issue is the biosolids or the fecal aspect that's taking place. My understanding is that a lot of the permitting and the administration is very cost-prohibitive or used as a potential deterrent to hatcheries to participate for discharge purposes. Can you give us a reason as to why the water discharge for hatcheries is in the fashion it is?

Ms. Gail Beggs: Yes. Thank you for the question. This is something, not just with hatcheries but with all facilities, that we've been looking at very closely over the last few months.

What the committee member is talking about is that the Ministry of the Environment operates under a system that was developed back in the 1970s called the certificate-of-approval system. We have a system that treats high-risk effluents and discharges, and low-risk effluents and discharges, in exactly the same way. It's embedded in our statutes and our regulations, the requirements for facilities, whether you be a fish hatchery or a steel company, to apply to the Ministry of the Environment for a certificate of approval and provide documentation around that certificate of approval so that the ministry engineers can, in issuing the requirements on the facility, assure the public that what is discharged is safe, whether it's to the water, in your case, the incident of the fish hatchery; or to the air, in the case of emissions at the stack; or in the case of land disposal waste.

We've been reviewing our requirements there, and we've been thinking about another model. We've been looking at how other jurisdictions handle these circumstances. We're currently involved in policy discussions to see if there might be an appetite to look at a different process going forward, something that has more of a risk-based focus to it. If we are able to move in that direction, I think it will make it easier for low-risk operations to satisfy the standards that we have. I think it's everyone's intention to maintain high environmental standards, but perhaps in a more cost-effective way.

Mr. Jerry J. Ouellette: The reason for the question was that I was trying to see if there was an answer that pertained to potential contamination problems that may move into the watercourse system from hatcheries, and I didn't really hear that.

But at least in the next question, which is that the spiny water flea, the round goby and cryptosporidium are not effectively—they are invading aspects that have come into the province of Ontario. Currently, there is a large die-off of fish within water collection areas that has not been identified. What is taking place to ensure that these invading organisms or bacteria are handled in the same way that cryptosporidium is dealt with, to find out what's happening in the province of Ontario?

Ms. Gail Beggs: I'll start, and I'm not sure if any of my staff may be able to help me out here. Maybe they'll debate amongst themselves.

Mr. Jerry J. Ouellette: Which ones are coming in the province of Ontario that are going to affect the water system and that we need to worry about?

Ms. Gail Beggs: Which organisms? We in the Ministry of the Environment have a very good surface water monitoring system that we've had in place for many years. It has been supported by successive governments to continue to do that.

I'm pleased to say that we are now beginning to report on all of the results that we have from that monitoring system. We monitor for chemical elements. We monitor for algae and small green plants. We monitor for zooplankton, which are small animals. In particular cases where there are invasive species, we may do some more intense scientific investigative work ourselves, or work with universities to conduct that sort of work. Some of the areas that we've been focusing on recently are invasions of specific kinds of algae that may have effects on water quality. One of the areas of largest interest is blue-green algae.

We have counterparts in the Ministry of Natural Resources who work at greater than the microscopic level, on larger critters, fish species, species of molluscs like the zebra mussel, for example. They also have monitoring systems and work with, as we do, our counterparts who share the Great Lakes to look at this.

In terms of your specific question as to what are the next invaders that we need to worry about, I'm sorry, Mr. Ouellette, I'm not going to be able to answer that, but I'm going to check whether we have a staff member here who can help me out.

Mr. Jerry J. Ouellette: I'm more concerned with water quality and drinking water quality, that in the fashions of cryptosporidium—

Ms. Gail Beggs: Paul, are you able to say anything about organisms like cryptosporidium that may be future concerns for drinking water? If he's unable to, we'll undertake to get back to you.

Mr. Paul Nieweglowski: The only comment I could make at this time is that things like cryptosporidium are identified as emerging issues. We do look at them. We do look at ways of mitigation of those types of emerging issues, things like ultra-filtration systems that are put into place. We're looking at new technologies to ensure that we keep up with those emerging issues that we see coming down.

Mr. Jerry J. Ouellette: So you're not aware of any that other jurisdictions have that we need to be prepared for.

Mr. Paul Nieweglowski: At this time, I'm not aware of any.

Mr. Jerry J. Ouellette: Those are all my questions.

The Chair (Mr. Norman W. Sterling): Thank you very much, Mr. Ouellette.

I believe that this brings the hearing to an end. I'd like to thank all of the people who have participated. I would ask members of the committee to remain for a few minutes after the room clears so that we can instruct our researcher with regard to the report which we may prepare. Thank you very much.

The committee continued in closed session at 1425.

CONTENTS

Wednesday 1 April 2009

2008 Annual Report, Auditor General:

Section 3.12, Ontario Clean Water Agency	P-299
Ministry of the Environment	
Ms. Gail Beggs, deputy minister	
Ms. Franca Dignem, director, Thunder Bay regional office	
Mr. Paul Nieweglowski, director, safe drinking water branch	
Ontario Clean Water Agency	
Mr. Dante Pontone, president and chief executive officer	
Mr. Michael Garrett, chair of board of directors	
Mr. George Terry, vice-president, operations and First Nations communities	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

 Mr. Phil McNeely (Ottawa–Orléans L)

 Mr. Jerry J. Ouellette (Oshawa PC)

 Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

 Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

 Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Lorenzo Berardinetti (Scarborough Southwest / Scarborough-Sud-Ouest L)

 Mr. Michael A. Brown (Algoma–Manitoulin L)

Mr. Rick Johnson (Haliburton–Kawartha Lakes–Brock L)

 Mr. Jean-Marc Lalonde (Glengarry–Prescott–Russell L)

 Mr. Peter Tabuns (Toronto–Danforth ND)

Also taking part / Autres participants et participantes

Mr. Toby Barrett (Haldimand–Norfolk PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research office,
Research and Information Services



P-18

P-18

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Official Report of Debates (Hansard)

Wednesday 8 April 2009

Standing Committee on
Public Accounts

2008 Annual Report,
Auditor General:
Ministry of Education

Assemblée législative de l'Ontario

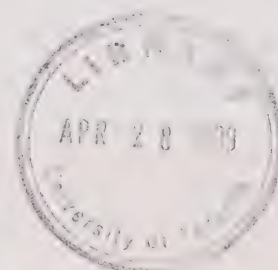
Première session, 39^e législature

Journal des débats (Hansard)

Mercredi 8 avril 2009

Comité permanent des
comptes publics

Rapport annuel 2008,
Vérificateur général :
Ministère de l'Éducation



Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 8 April 2009

Mercredi 8 avril 2009

The committee met at 1235 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF EDUCATION

Consideration of section 3.14, special education.

The Vice-Chair (Mr. Jerry J. Ouellette): I call the committee to order. Just again, an understanding of how the committee works is that during public accounts it's an opportunity for the ministry to respond to the reviews and the hard work of our Auditor General. It's an opportunity, after a presentation takes place, for each of the parties to question the ministry and the auditor regarding the issue before us.

We welcome all the individuals and we welcome you to the table. If you would be so kind as to introduce yourselves to the table, that way we have you on record for Hansard. Then I'll give you time for a presentation, should you like, and then open it up to the parties at the table for questions and answers. Once again, thanks for coming.

Mr. Ben Levin: Thank you, Chair. I'm Ben Levin. I'm the Deputy Minister of Education. I'm accompanied on my left by Barry Finlay, who's the director of our special education branch.

Ms. Gerry Connelly: I'm Gerry Connelly, director of education for the Toronto District School Board.

Mr. Gordon Campbell: Gord Campbell, director of education for the Simcoe County District School Board.

Mr. John De Faveri: I'm John De Faveri, director of education for the Thunder Bay Catholic District School Board.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you for joining us. You may proceed.

Mr. Ben Levin: I believe members of the committee have the slides that I put together as background. I did want to take the opportunity to make a few introductory comments to put the issues that are in the Auditor General's report into a larger policy perspective.

What I would say about special education is that it is probably the most difficult policy area in the whole realm of education. I've had the opportunity through my other career experiences, mostly as an academic and as a consultant, to see education in a lot of different places around the world. The issues that we're struggling with

Ontario around special education are issues that are being struggled with worldwide. Those have to do with the steadily growing number of children or students who are being identified or seen as having some kind of special need. The rising pressure on special education expenditures and education budgets all around the world—there is hardly a jurisdiction where special education has not grown as a percentage of overall education spending. So no matter what happens to overall spending, the share of the pie that's going to special education has been rising everywhere.

1240

The problem is that although in some areas of special education we have some really quite substantial successes to show, in other areas it is not so clear that the additional work has actually led to the kind of success we want. If we go back, special education is now about 40 years old as a field. If we start thinking about where we started, which was around inclusion and improved education for students who were, say, blind or hearing-impaired or had mental disabilities of various kinds or other kinds of physical disabilities—wheelchairs and so on—what we can see is that that is an effort that has been, I would say, very successful. We have many students who, a generation ago or two generations ago, had very little access to education and were largely written off and regarded as ineducable—we are now doing a much better job with those children.

Barry's predecessor as director of special education for the Ministry of Education, a man named Bruce Drewett, grew up in a wheelchair and was not allowed to attend his local school because it was just known that children in wheelchairs couldn't go to local schools. I can tell you that Bruce's legs may not work very well, but his brain works perfectly well.

Those are things that I think we've made a lot of progress on and we have a lot to be proud about. You can take the example of Down's syndrome, where 30 years ago we basically regarded Down's syndrome kids as ineducable. It turns out that many Down's syndrome kids are very educable. We don't know what the limits of that achievement are.

I would say that much of the change has been driven by advocacy from parents and advocates. A lot of what's happened in special education, even though for those of us who work in the system, that advocacy makes our lives difficult, I think that, if we look honestly back, we

can say that a lot of improvement has been driven by very determined parents who thought that there was something that could happen in schools that wasn't happening and have pushed educators very hard to do more. When we look back we can see that, actually, in many cases that was right and we were right to do those things, even if at the time we didn't necessarily want to do them.

In the last few years, what has happened is that the areas of growth in what's called the incidence of special education, the number and proportions of students who are seen as having special needs, have been in areas that are much less clear and about which there is much more debate and disagreement. It's pretty easy to know whether a kid is or isn't in a wheelchair or can or can't hear at a particular level, but in the area of learning disabilities, which has had by far the fastest growth and now accounts for 43% of our total incidents, there is a lot of debate in the research community about what learning disabilities are; how many kids actually have them; how they're assessed; how real they are, as it were; and about what to do about them.

I think the critical point is to say that it's one thing to identify a need and it's another thing to know what to do to create an improvement for the student who has the need. We've perhaps been somewhat better at identifying what we regard as needs than we have been at being able to put in place programs and interventions that actually result in better outcomes for the students having the need. The danger there is that what we have is pressure to provide services as opposed to pressure to produce better results and better outcomes for students. We don't really want to be in a world where the service substitutes for the outcomes. We don't really want to be in a world where we say, "You may not actually be learning anything, but you have a service." So that's good and we're happy about that, because it is all about and we are all about better outcomes for students.

One of the big dilemmas in special education is around identification. Every system has some process for identifying children with special needs. In most systems, "identifying" is attached to getting more money to serve the students. The problem that brings with it is that you create a negative incentive. You create an incentive to identify more and more children because it's a way of bringing in more and more money. Especially in years when overall spending was limited in education, as was the case in this province in some years in the last decade and in other provinces and jurisdictions, the only way, in some cases, school districts could get any more money to run their programs was by identifying more children as having special needs. That's a negative incentive. It also involves a negative portrayal of children, because the way it worked in many provinces—and much of my experience around this was in Manitoba, where I was previously in the ministry, including as deputy minister—was that to get funding, you would have to show that a kid had really bad problems. Of course, that creates kind of a negative spiral also. It's very dispiriting for

everybody, but if you didn't show that the problems were really serious, you couldn't get approval, and then you couldn't get any more money. So there were some negative or perverse incentives built into the system.

One of the challenges we have in special education is that although we put it under one label, it's actually a lot of different things, and the parent advocate community has very different views both within and across what we call exceptionalities. There are people in the parent advocacy community who are very strong believers in inclusion, that every child should be in a regular classroom in a regular school. There are other parent advocates, sometimes of children with similar disabilities, who completely disagree with that and believe that particular children need segregated, special programs and even segregated schools. So we don't have a consensus either in the scholarly research community or in the advocacy community about what we should be doing for different kinds of kids with exceptionalities.

The capacity across our schools and districts is quite variable. As you know, Ontario's school districts range enormously in size, from a few hundred kids to a quarter of a million kids. The capacity of a board in terms of the expertise and the specialists it has or the access to people like psychologists or therapists, depending on where you are in the province geographically, is quite uneven across Ontario.

I was working in Ontario when Bill 82 was brought into place, which was the original special-education legislation, in the early 1980s. I have to say I didn't like the approach then, and I still think that in some ways it was a misconceived approach, because it put into place a very legalistic and formal system where a huge amount rested on processes around documentation. What happened in some cases is that dealing with the documentary and process requirements took precedence over actually thinking about what was the best thing for a student to get.

Because of the whole creation of the IEP and IPRC process, a student who maybe could have benefited a lot from 30 minutes of one-on-one time would never get that time because their need was not severe enough to get them through the whole IPRC process, which was the ticket into getting access to the additional services. So the issue is how to balance what we do around identification, which is important, and around due process requirements, which are obviously very important fundamental justice requirements, with not wanting to turn a system that should be educational into a system that is all about paperwork and process and justifications of actions as opposed to the results coming from the actions, and, again, whether it's about the services we provide or whether it's about the outcomes the students achieve. Those are difficult issues. I don't believe there's a right answer to them, but they continue to be dilemmas that we struggle with.

In the last few years in Ontario, in education altogether, I think it's been a fantastic five years, I have to say. Every student outcome in this province is up

significantly, and, at the same time, morale in the system has improved, so we have an awful lot to be proud of.

To a considerable degree, that is applied to special education. Altogether, our results for special education children have improved on the measures we have available. The gap has gotten somewhat smaller. It's still very large. I don't want to pretend for a minute that this is a problem that has been solved, but there has been a reduction in the gap in performance between kids in special education and other kids.

We've done a lot of work, starting with an expert panel that was around 2003 or 2004, somewhere in there, and then a working table that was established to look at special education issues. One of the big things we did in 2005 was to take away what was called the ISA, individual student amount, which was that process of writing long justifications for why kids really had very big problems and needed more money. We actually removed that, which freed several hundred person-years' worth of time across Ontario. Instead of filling in forms, people could actually be involved in providing services to students. We've said that you don't have to have an IPRC in order to provide services. If there's a judgment that there's a student—this is with parental consent. If parents want an IPRC process, they are absolutely entitled to it. But there are some cases where it makes more sense to provide a service now rather than go through a several-month IPRC process during which time everyone is waiting to see. We've done a lot of work on improving the quality of the IEPs, the individual education plans. Did we bring some of the documents on that, the IEP documents?

1250

Mr. Barry Finlay: Yes, we did. We have documents with us.

Mr. Ben Levin: Okay. So we have a lot of support documents for districts.

We've done work on mediation and partnering, because special education is an area where there continues to be a lot of conflict between parents and schools. Parents are, absolutely rightly, advocates for their children, and they are pushing the system all the time to provide what they regard as more and better, which is completely their duty and their right to do. I have no argument with that. But it does set up conflict situations, and so we're trying to help, for example, principals learn how to do conflict resolution in a more constructive way so we can work towards win-win solutions more often.

We've done a lot of work on improving teacher capacity, especially the capacity of what I might call regular classroom teachers, to feel that they are capable of working with a large range of students so we're not in a world where, if a teacher sees a challenge, they immediately want the child in a different program or removed or put somewhere else or they feel incapable of dealing with that child. That isn't to say that there aren't some children with very complex needs that are going to be beyond the reach of most classroom teachers to deal with.

We've supported a research program, because one of the critical areas in special education is learning more about how to do it well and learning more about how to get good results. We will learn that over time if we continue to try different things and study how they work.

So just to conclude where we are on this, we're waiting for the report of the Premier's early learning adviser, so there is a commitment to full-day education for four- and five-year-olds, which will help us be able to identify special needs earlier. On many issues—for example, hearing impairment or vision impairment—early identification is absolutely critical. Catching kids when they're a year old or a year and a half and not when they are six and realizing there's a hearing problem is fundamental.

I've talked about research on effective practices and capacity building. We're continuing to do that.

We've got a whole strategy around autism and providing better service to children with various autism spectrum disorder issues that we can speak to if members want.

Of course, there's the perennial challenge in government of working more effectively across the ministry boundaries with our colleagues in health and children and youth services, which we continue to work on.

Chair, with your indulgence, that's a very brief issues overview—it may not have felt very brief to the committee—of a complex field, and I'm quite happy to try to respond to any questions or issues members might have.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you very much. Mr. Hardeman?

Mr. Ernie Hardeman: Thank you very much for the presentation. I do want to say that I appreciate it, because it's one of the areas in education, as you mentioned in your presentation, that's a big challenge. The curriculum for all students seems to work fairly well. The average student goes in and will go through the eight grades and there's nothing more special that's needed. With the special education, obviously, every case is unique, so it's very difficult to come up with something that fits them all.

One of the challenges that I see in the auditor's report, somewhat different than your presentation, is the satisfaction with the successes so far. When I read the auditor's report, that's not what I read in it. Yes, we're improving, but it's not really even measurable, because we don't know how to benchmark and how to say, "Well, this is where we started, and with what we've done for the students so far, this is the positive that has come out of it."

I'll just start with that. I've got it here that there was an organization that did a survey: 36,000 elementary pupils and 4,800 high school students are waiting for an assessment on whether they need services in the province of Ontario. I guess this isn't for the individual school board; this is for the ministry. If there are that many people waiting and the indications are that there's enough need there, that they need an assessment—it says here in the Toronto Star article that the student was in grade 8 and he's been waiting since grade 5 for this assessment.

It seems to me, if there's a special need there, that we've gone past the point of the need being there. If there's an accident, we look at the need and then we apply the solution as quickly as we can, and this seems to me to be one of those cases. Someone has identified that there's a need for an assessment; I think it's time to get on with the assessment. It almost starts to look like, in cases where this assessment is not being done, we will not be fulfilling the need, and that's a concern. Maybe you could answer that for me.

Mr. Ben Levin: Sure, and I think Ms. Connelly can speak to the particular case. Let me say first of all on your initial point that I don't want to suggest for a moment that we think we've got a giant success story in special education or that there isn't a lot more to be done. I don't want to suggest that. I think all of us would recognize that there is much more to be done. There is still a large number of students who are not reaching the level of performance that we know they are capable of reaching, so I don't want to give any implication that I would say that isn't the case. That is clearly the case; there's much more to do. What I would say is that we've had some success in reducing some of the gaps and that's fairly unusual when you look around the world at it.

On assessment, I don't recognize the number on waiting lists. We had a serious waiting list problem three or four years ago and we did actually put quite a significant additional amount of money through the Ontario Psychological Association to do additional assessments over a couple of years, and I think we've brought down that waiting list quite considerably. I'm going to ask Barry if he has more information on where we are with waiting lists in general.

We'd certainly agree on two things about this. First, we'd certainly agree that people should be getting assessments in a timely way—no quarrel with that. No one would say that three years is a reasonable time for that. But the other point I want to make is that we don't want the assessment to be an excuse not to do anything with the child, and I'm sure all my colleagues would say the same thing. We may have to wait a while for an assessment, especially in places where there aren't many psychologists who can provide them, but in the meantime we want to be taking steps that we know are good education practice to try and help that child succeed. So we would certainly not be saying, "Nothing is going to happen until there's assessment," and the assessment might take a year. There's lots we can do in the meantime. Barry, can you speak to the waiting list?

Mr. Barry Finlay: If I may, yes. Thank you, Deputy. The first thing is that in the results of the OPA project we did find that there were significant reductions in the waiting lists, as was already indicated, but not where we want to be, obviously. But 34% of 75 school boards reported reductions greater than 33% as a result of the OPA project, 20% of the boards reported an impact on wait times, and 3% reported no reductions in wait times, so we do have that statistical analysis. An important part of the OPA project for us was a realignment of the focus of

the assessments to directly instruct the classroom teacher with respect to instruction in the classroom. Often, psychological assessments did not speak directly to teachers and therefore they could not be implemented quickly in support of children. Part of working with the psychological association was for them to refine the nature of their assessments so that, in fact, teachers can grasp exactly what the needs of the child are and can begin to implement something.

Mr. Ernie Hardeman: I guess this study here in this newspaper article was in fact in 2008. So we're looking at the end of the improvement, not at the start of the process. Adding the two together, we're looking at some 40,000 students waiting for an assessment. Is that not a correct number, or do we not know what the number is supposed to be?

Mr. Barry Finlay: I would have to say that we will need to do further research and bring back that information for you so that we can look at that figure specifically.

Mr. Ernie Hardeman: Thank you. I'm not trying to find fault. I just read that article, and not being directly involved, one gets concerned if we have 40,000 students who need assessment. And we're happy with the results? I'm more concerned about being happy with the results, if that's the right number, than I am concerned with the number itself.

1300

Mr. Ben Levin: I'll just say again that I'm not suggesting that we're happy with where we are. I'm suggesting that we've made some progress and there's a lot more to do. Forty thousand—I don't know the source of it; I haven't seen the study. It seems a high number to me, given that we only have about—how many kids do we have in special education all together?

Mr. Barry Finlay: Two hundred and ninety thousand.

Mr. Ben Levin: Two hundred and ninety thousand. So this would be like a 15% increase, which would be larger than the increase we've had over the last five years in total. It just seems high to me.

Mr. Ernie Hardeman: I really appreciate that. I understand that one of the boards doesn't do as many formal assessments as the others do. Is there a quicker way? According to the auditor, it's a possibility that in fact it's more cost-effective to give treatment based on the initial assessment that can be done without the psychologist and provide treatment, rather than spending all our time and waiting for the assessment and then missing the treatment because we don't have the capabilities.

Ms. Gerry Connelly: Can I speak? First of all, we have about 2,200 students at this point in time, and we have 40,000 students having special education programs that are on the waiting list. That 40,000 does sound high for the province, because we have a significant number. However, I do want to say that we take that very seriously. With the addition of the OPA funding, we've been able to reduce the time from seven months to four months. So we have an average of four months in terms of our waiting period.

I'm sorry, the other question that you asked was about the—

Mr. Ernie Hardeman: About the full assessment or to do with the—

Ms. Gerry Connelly: Of the 40,000 students who are taking the special education programs, 20,000 of them have had IPRC. For a whole variety of reasons, parents choose not to go through the process, particularly many parents who do not have English as a first language. We have a lot of mobility in our system. There are many reasons why parents choose not to be identified, but whether or not they choose to be identified, during that waiting period we have special programs in our schools that have intensive resources so that, even while they're waiting to be identified, they have access to those resources, and that includes students who are waiting to be identified as well as students who aren't identified but have IEPs.

Mr. Ernie Hardeman: Go ahead.

Mr. Gordon Campbell: Thank you. If I may, in Simcoe county, I would suggest that our profile is very similar to Gerry's, inasmuch as we have about 9,000 students who are on IEPs, in a base population of a little over 50,000 students. So with 9,000 students who have IEPs, we're giving support and service—additional support. Of those, about 4,500 have been formally identified, which in many instances means that there will have been a formal process of assessment and so forth done by psychologists and so forth.

That being said, the moment we, within the school community, determine there's a need, we have strengths-and-needs meetings. We start programming immediately; we do not wait until an assessment has been completed formally to start providing support and service. Our wait period is just over three months at this current time, and because of the additional resources provided through the ministry, we've been able to reduce our wait time, too. So we're looking at just over three months at the present time, if it's deemed appropriate to do an assessment formally by a psychologist etc.

Mr. Ernie Hardeman: Did you say that the numbers—did I get that right? Nine thousand students, of which 4,500 have been identified?

Mr. Gordon Campbell: I said approximately just over 50,000 students in the system, about 9,000 students receiving extra help, and of that, 4,500—about half of those students—have a formal IPRC in place. I think that would seem similar to what Gerry had said with Toronto, inasmuch as about half of the students had a formal process and there were still additional students getting support.

Mr. Ernie Hardeman: I have a thing here on my desk that—I guess it must have been brought in by someone. Again, I'd just like some explanation. It's from a parent speaking of the Auditor General's report, "of the ineffective and poorly evaluated programs that now exist in the public school system in Ontario for learning-disabled children. As the Auditor General pointed out, even though the Ministry of Education has put many

more millions of dollars into the system in recent years, the programs still continue to be mediocre."

Can I get some comment on that from the deputy as to whether you agree or disagree, or why a parent—my big concern is not so much what is happening in the system, but that the message sure doesn't seem to be getting out to the parents about the improvements we're making.

Mr. Ben Levin: I would say that if we're talking about learning disability, I don't think you'd find anybody in the education system who felt that we were doing a fantastic job, because I think the reality is that we still don't actually know entirely—or let's say there is disagreement among experts as to what a learning disability is, how many students have them or how they are to be best managed from an education point of view. There is a group of researchers who believe that there is a physiological base to learning disabilities. There's another group of researchers who believe that there are hardly any children who have a learning disability that is physiological and that most of it is sociopsychological in some sense. Of course, the nature of the treatment is highly variable, depending on what you think is the organic or non-organic basis of the problem. So there's a lot of disagreement about that.

There is also a lot of disagreement in the parent community about what is the best thing for their children. There are parents of learning-disabled children who want those children in full-time special programs in separate classrooms, and there are other parents of learning-disabled children who want their children fully integrated in regular classes 100% of the time. So it is a challenge for schools to respond because we don't have a body of knowledge that says—let me use a medical analogy. If you have appendicitis, we know what to do about that. But if you have regular headaches, it turns out we don't know what to do about regular headaches, or chronic back pain, let's say. These are two very widespread ailments that we don't know what to do about. We don't know what the interventions are, so we have hundreds of thousands of people who suffer from regular headaches or back pain who go and see doctors and get told, "Try this and try that," and it doesn't work. You have lots of people saying, "I've got the cure for backache. Take my treatment; take my pill; do my exercises; follow my diet." The fact is, most of those have not been subject to rigorous evaluation and we do not know whether they are efficacious. But they are certainly being promoted and there are certainly people writing letters to the editor and posting on blogs, "If only the system would adopt my treatment, all would be well with the world." I'm very skeptical of those claims. I'd like to see them tested empirically.

There is a need to do more empirical testing and research on the various approaches we're using. I think we would all say that's the case. This is an area in which we need to do a lot more research. But I'm personally skeptical of claims, "We know what the answer is," because if we knew that—I'd want to see the evidence.

Mr. Ernie Hardeman: Thank you.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. Marchese.

Mr. Rosario Marchese: I'm just going to review your presentation first and then, in the next round, I hope to be able to tackle all the questions that the Auditor General has provided, and it's rich in detail.

Your first page on special education, I'm not sure—is this a public document?

Mr. Ben Levin: I would certainly regard it as such.

Mr. Rosario Marchese: Okay. You say, "Steadily growing incidence rates and expenditure pressure everywhere."

Mr. Ben Levin: Yes.

Mr. Rosario Marchese: And the next sentence is, "Much less evidence of results." So you spent a great deal of money, which is bad, presumably, because the result is not there; and the incidence rate is growing, which is bad, because for some reason—we don't know why that's happening. And then your following remark is that there's less evidence of results. How do you know that?

Mr. Ben Levin: We know that in a number of ways. The first thing is, let's recognize that the 290,000 students who are currently receiving special education services cover a huge gamut of different kinds of care. We're talking from kids who have very severe multiple disorders—

Mr. Rosario Marchese: Yes, we have the whole list.

Mr. Ben Levin: That's right—to kids who are gifted, on the other hand, in fact. When we're talking about evidence of results, we're using the EQAO results in grade 3 and grade 6, and we're comparing whether kids who are in special education are making at least similar progress to the whole school population. That's one measure we're using.

1310

Mr. Rosario Marchese: I want to get to it later, because you say in your final page that, lo and behold, the EQAO results show better results. How did that happen? Magically? If this didn't work, how, all of a sudden, through your—I'll get to it; it doesn't have a page. It says, "Considerable success—better results," but if it was failing all along, how do you get a better result?

Mr. Ben Levin: My first slide is talking about special education internationally. If you look at special education around the world, this is the pattern you've seen over the last 10, 15 or 20 years, which is steadily growing incidence rates, pressure on expenditure and less evidence that we are actually able to create the improvements we want for those children.

Mr. Rosario Marchese: Okay.

Mr. Ben Levin: So what we want, for example, is, if we're identifying a lot of children as having learning disabilities—let's take that example—or having behavioural issues, and we're saying that we have something we're going and do with those kids, then what we would want to see over a period of time is that those disabilities did not interfere with their progress, that those kids caught up—

Mr. Rosario Marchese: I understand. I'm just trying to follow the logic of the argument you present, and it doesn't make sense to me. That's why I was putting it to you. There's much less evidence of results, and you said twice that there's success at reducing the gap.

Mr. Ben Levin: Yes, in Ontario in the last few years.

Mr. Rosario Marchese: So only in the last few years have we been able to be successful at reducing the gap because whatever we did in the past was bad, and we have evidence of it. It was not good, because we have evidence of it. It didn't work, because we have evidence of that.

Mr. Ben Levin: I wouldn't say it was bad; I would say that people were making their best efforts, given what they knew at the time. But we know more now, so I think what's happened is, we've looked at those patterns that were in place. We've tried some different things and we've found that some of the things we've done in the last few years had more impact.

Mr. Rosario Marchese: I want to get to that, because you say different things about that on page 3, and I'll get to that in a second. On your page which says, "Why?" it says, "Early successes in defined areas—physical and mental disability—where it was clear what the problem was and we had approaches to improvement." I'm assuming here that what you're saying is, in some areas, physical and mental, you've had successes without an IPRC—I'm assuming this is what it means; right?

Mr. Ben Levin: No. This goes back to even before Bill 82, but certainly most of those students would have been IPRC'd, yes; in fact, all of them, essentially.

Mr. Rosario Marchese: So it says, "where it was clear what the problem was." How do we know where it was clear? A regular teacher doesn't have a good sense or the knowledge—because I didn't—to understand a special education problem. Regular teachers do not have that training, although you say along the way that teachers are getting it. I don't believe that, by the way.

Mr. Ben Levin: Well, I can't agree with you on that, I'm afraid.

Mr. Rosario Marchese: I knew you wouldn't, but my sense is that you don't have the resources to give individual regular teachers the ability to recognize a disability of sorts, mental or physiological.

Mr. Ben Levin: I think that depends enormously on the nature of the disability. It doesn't take a huge amount of skill on the part of a teacher to recognize that you have a student who can't see. We know that when you have students who can't see, you can provide support for them, you can provide Braille, you can provide assistive technologies, and those kids now do much better than they used to because we provide those supports.

Mr. Rosario Marchese: You're quite right. If someone is struggling with their eyesight, most of the times you can see it, although with my step-grand-daughter we didn't recognize it. It took some time.

Mr. Ben Levin: Exactly.

Mr. Rosario Marchese: Maybe a teacher might be able to see it—I don't know—but we didn't see it.

Mr. Ben Levin: That's right. That has improved. I'd use another example with physical disabilities—

Mr. Rosario Marchese: But some instances are obvious to us. As teachers, we know, for example, that there's a problem. I don't know what to do, but I recognize there's a problem.

Mr. Ben Levin: Right.

Mr. Rosario Marchese: So unless a parent initiates an IPRC, and I as a teacher don't insist or don't call the parent and say, "By the way, you might want to do this," or, if I don't tell the principal, "By the way, there's a problem. We should do an IPRC because I don't know what the problem is, but there is a problem," that problem could persist for quite some time. Is that not true?

Mr. Ben Levin: It could, although I would say that the case now is that teachers are very sensitive to the fact that they have students who aren't performing well. When students aren't performing well, they call in their support team—and my colleague could speak about this—in their districts and they start to say, "I'm not having success with this kid. Help me understand what I need to do."

Mr. Rosario Marchese: Quite right, except in his report—and I'm going to get to it when I have some time—he points out something we're all aware of: that some students don't get any help for four years. So you say this and I understand it intellectually, but we know that there are huge problems out there, in spite of what we say in this room.

But moving on to the trending, because I want to challenge some of the things you say: "Areas of incidence ... are vague, [there is] disagreement as to what they are, whether they exist, how to measure them...."

"In many cases they don't have effective interventions, raising [the] issue of how valuable the diagnosis is" even, and, "Puts pressure on having services instead of results." Your last point, "Puts pressure on having services instead of results"—are they not connected?

Mr. Ben Levin: That's the issue: Are they connected or are they not? Because it is quite possible to give people services that don't produce any results.

Mr. Rosario Marchese: So how do you have an outcome without a service?

Mr. Ben Levin: Well, the outcome could be, for example, through a different way of teaching a student in a school. The outcome could be about modifying some of the curriculum expectations. That isn't what I would call a service—

Mr. Rosario Marchese: It could be.

Mr. Ben Levin: It could be.

Mr. Rosario Marchese: But are kids getting it? I understand you make the point about results and outcomes, and I just don't know what it means. I understand what you're saying in terms of what people could or may be doing, but in some cases with special education, I think a lot of these poor kids are struggling on their own, including parents. I put to you that if we provide the services that we hope are effective through an IPRC, we will get the better outcome, particularly in the IEP; if we continually follow it, the result, hopefully, will be better.

Mr. Ben Levin: Well, it's a reasonable, logical case. I wonder whether there is a lot of empirical evidence for it.

There are certainly parents who feel that they are not being well served, parents of special education children. I'm sure all of my colleagues—I should ask them to speak to this, because they're on the ground dealing with it. All of us know that there are parents who feel the school is not sufficiently attentive to the needs of their children, and I have no doubt that sometimes—at least sometimes—they are correct in that; I have no doubt about that. That remains an issue; how well, how quickly, how positively we respond to parental concerns absolutely remains an issue. But it doesn't follow that because somebody says, "My kid should have an aid," giving that kid an aid will result in any better outcomes or learning from the student.

Mr. Rosario Marchese: That I understand. But if in IPRC, the identification, placement and review committee, you have the various people there—the parents, the principal and/or supervisor, the psychologist, sometimes, if you have them; if not, you use someone else—presumably you get to a close understanding of what the issue might be, and then there's a plan and you work toward it. They may be wrong, is what you're saying; I understand that. But if we don't have that tool, we have nothing else.

Mr. Ben Levin: I would say—again, I'm going to ask my colleagues to respond to this too—that we have things that help us understand students' needs that do not require an IPRC. There are many student problems where we have a level of expertise and we do not need, necessarily—now, if a parent wants an IPRC, they are entitled to have one, and we provide one.

Mr. Rosario Marchese: I understand. Some parents don't understand the whole notion of IPRC so some parents don't even ever get to it. But I don't mind the other experts commenting as well, to help out, because I want to get to that issue, because I find it troublesome, by the way; I really do. And it's identified in the report, so I will get to it.

But you talk about this debate. We had the Auditor General do a report in 2001. We've known since 2001—this is an old issue—that we've got problems. He points out that there's some improvement, but overall the problems are the same. So you might argue, "Oh, the debate continues. It rages on. Parents disagree, perhaps educators disagree, experts disagree as to whether or not problems are physiological or socio-psychological, how you do an assessment, what is a learning disability"—all these questions. At some point, if we don't have any sense of clarity as a board, as a ministry—and I speak to the ministry, because I'm not fond of boards doing their own thing; I really am not. I think it's a mistake. Even where they do it better, I think it's a mistake. I believe that the ministry has to have a sense of what needs to be done and then prescribe through boards what must be done. If we don't have that, we have a problem.

So we've had this debate for quite some time: "We need to do more research"—and on another page you talk

about doing more research. I think to myself, "This will never end." We're going to research ourselves to death in terms of what we can and should be doing.

1320

Mr. Ben Levin: Yes, it will never end, that is true, because we are constantly learning about what constitutes effective practice, just as the struggle to learn more about how to provide effective health care will never end. It's not like we now know. Let me use health analogies again. We have people who are receiving treatment for various health problems. Sometimes we know what to do and we do it. Sometimes we don't know what to do, so we try the best thing we know, right?

Mr. Rosario Marchese: I understand.

Mr. Ben Levin: That's where we are in this field. There are a lot of areas where we don't know what the best thing is, but what I would say is that the practices that we've had in place in Ontario in the last five years have been the practices which the available research and evidence suggest are the most effective practices to produce good outcomes for children. I wouldn't say that's the case for every single kid; of course not, but that's been the approach.

Mr. Rosario Marchese: So let's try to be clear: Past practices, whatever they were, were not as effective as they should be. Is that a fair statement?

Mr. Ben Levin: Some of them, yes.

Mr. Rosario Marchese: Have we moved to a different practice in the ministry?

Mr. Ben Levin: In some areas, of course we have.

Mr. Rosario Marchese: Vis-à-vis special ed?

Mr. Ben Levin: Yes.

Mr. Rosario Marchese: What are these practices now that are different from before? Because it's not clear to me.

Mr. Ben Levin: For example, we've changed the way in which we think about the IEP/IPRC relationship. We've changed the content of what we want in the IEPs. We've changed the way in which we expect schools and boards to interact with parents. We've changed the role of resource teachers, to a considerable extent. We've put in much more assistive technology, which didn't exist at all 10 or 15 years ago. There's a whole variety of things.

Mr. Rosario Marchese: Okay. So let's talk about your first point: the IEP, because—

Ms. Gerry Connelly: If I may add, one of the things that is helping us is the ability to collect, analyze and use information. The government has recently provided significant dollars to help us set up databases. We feel that being able to provide information not only to our teachers—our teachers are becoming much more sensitive to and understanding of the special needs of kids; they're much more focused—but the other thing is that we need good information and we need to be able to share it with parents. One of the biggest challenges we have is being able to give parents honest, transparent information that's useful—

Mr. Rosario Marchese: Right. Let me ask you, Gerry—I understand the point. I wanted to get to the

auditor's report in the questions, so I'm going to try to link it here, because both of you mentioned this. In terms of different practices that you didn't have before: You changed the content of the IEP. The Auditor General says that when they looked at some of the evidence in terms of what is contained in the IEP, in some of the cases you don't have any clear follow-up about what should be done on a regular basis. Is that correct?

Mr. Jim McCarter: Yes, we found cases in the IEP where they had improved since 2001. We did find a number of cases where we felt they should be better documented, and also more tracking as to the progress a student was making to reduce that gap.

Mr. Rosario Marchese: Right, but that problem still continues to be serious, is that not correct, based on your evidence?

Mr. Jim McCarter: Yes, there's still some evidence of that.

Mr. Rosario Marchese: So you're saying to me that you've changed that. Since when?

Mr. Barry Finlay: If I may respond to that: Actually, it has been an iterative process probably for the last seven or eight years in terms of continuously improving both the content and, I would say, the process for the delivery of IEPs. Most recently, we have now established a website with the Council of Directors of Education where we have a series of examples in both French and English of what we believe to be effective IEPs that in fact will address a number of the issues that you have identified. We are planning to do another review of all boards, as we did a year ago, including parents—

Mr. Rosario Marchese: But Barry, you admit that the Auditor General finds that this is still a big problem, that there's a big gap between 2001, when we did that study, and 2009. In that eight-year period, our success has not been that huge in dealing with that. Is that a fair assessment, or no?

Mr. Barry Finlay: What we would admit to is that we still have a long way to go to really improve our IEPs and make them as effective as we want them to be as instructional tools.

Mr. Rosario Marchese: Okay. I know you have a website, and I'm not a big fan of these things, because people say, "Oh, it's a 1-800 number," and, "We've got a website," but you've got to know how to get to it. If you don't know how to get to it, you're never going to get to it, which means that this useful information may or may not be seen and/or used by teachers who could be using it. Do you have any other mechanism, through supervisors and/or principals, to make sure that this actually happens?

Ms. Gerry Connelly: If I could speak to that: One of the big advantages of a lot of the council of directors initiatives that were funded by the ministry is that it's allowed—and we know that we need to do a lot of work on our IEPs, and we believe we have improved. But it really requires a teacher to understand modifications and to modify results. The way to understand and improve is to share best practices, to actually look at things that are

working and then have conversations, to build networks of teachers and help teachers and principals understand.

One of the things that has been happening in the last few years that has been really significant in this province is the ability to develop and to share best practices, because that's one of the major ways we could look, but we recognize we have more to do.

Mr. Rosario Marchese: I understand the notion of best practices intellectually. I just don't know how it trickles down. It's like the trickle-down economy, where people say that the wealth trickles down, and it usually doesn't. But I understand the notion of best practices. The question is, how do we make sure that every teacher gets it?

Ms. Gerry Connelly: We do it in a variety of ways. One of the things we've learned about professional development is that it doesn't help to haul teachers out and deliver messages to them; what works is to have what we call learning coaches. In our schools we have what we call learning coaches and resource people, who actually work with individual teachers. Gord has done a wonderful job with his IEP. I'm a new teacher, and we have a lot of them: Out of our 17,000 teachers every year, we have about 1,200 new teachers. I'm a new teacher, so I'm going to go and take time—I have the time now—to sit down and talk to him, and he's going to explain to me, and I have an expert coming from the office who has been trained and worked with the—

Mr. Rosario Marchese: I understand the concept. My daughter is a primary teacher.

Ms. Gerry Connelly: So she does the same.

Mr. Rosario Marchese: I haven't talked to her much about this, but she's not getting any of this expertise. I just put it out, because I know what you're saying and I believe that in some cases it's happening, but I believe that in a lot of cases it isn't. I don't mean to criticize; I mean to say it because I think a lot of these kids who desperately need help are not getting it. That's my point.

If I can go on—because there's just so much and we never have enough time. “Divergence”—

The Vice-Chair (Mr. Jerry J. Ouellette): You have about one minute, Mr. Marchese.

Mr. Rosario Marchese: How many?

The Vice-Chair (Mr. Jerry J. Ouellette): A minute.

Mr. Rosario Marchese: Good heavens.

The Vice-Chair (Mr. Jerry J. Ouellette): In this round.

Mr. Rosario Marchese: “Access to specialized staff and resources is uneven.” I believe that. So if that is true, what are we doing about it?

Mr. Ben Levin: It's a very difficult challenge, because it's the same issue as we have in all specialized professions across Ontario: It is very hard to get highly skilled professionals into the more rural and remote parts of the province. We make continued efforts around that, through advertising, through sharing resources across boards, through salary agreements, but in fact it's the same challenge we've had in this country about physician supply, and I haven't seen anybody figure it out yet.

Mr. Rosario Marchese: I have to tell you, I went to Windsor many years ago, and they couldn't do the IPRCs in most cases because they didn't have the specialized staff. I'm sure that continues, like in the north, where there is unevenness. Unless we deal with that, that means that a whole lot of people are not going to get the help.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mr. Marchese. Mrs. Sandals.

Mrs. Liz Sandals: I wonder if we could think for a minute about how special education is delivered, because in the vast majority of cases, students who either have been identified or who have an individual education plan are placed in the regular classroom. There are some kids who are in self-contained classes, which would normally be taught by people with special education specialist qualifications. But most of the kids are placed in the regular classroom, and it may be the regular teacher who works with the SERT on modifying the program. There may be withdrawal; there may be some support from an educational assistant. I wonder, given that that's the front line of people who are dealing with the child in the classroom, if you could talk a bit first of all from the ministry's perspective on initiatives that we've taken to provide more professional development at the classroom level for how to manage various exceptionalities, and then perhaps the directors could talk about how that's played out in some of their own boards.

1330

Mr. Ben Levin: Sure. Let me just make a very quick comment and then ask Barry Finlay to respond.

The Ontario education system is a big system: two million students, roughly, and 120,000 teachers. So when we talk about trying to change practice across that big system—and that is what we're talking about—we are talking about a big, complicated, multi-year endeavour. I think all of us would recognize that this is not a matter of giving people a new booklet or a new policy memorandum. We have many expectations for our teachers: We expect them to be excellent at teaching kids in their basic subject areas; we expect them to be respecters and understanding of diversity; we expect them to be able to work with special education needs; we expect them to deal effectively with parents and communities; we expect them to be good communicators in the public and through their report cards—it's a challenging job. When we ask thousands and thousands of teachers to change their practice in significant ways, that's a very complicated undertaking. I don't think any of us think we're ever entirely successful with it—which isn't to say that we haven't made some useful steps.

Barry can respond more specifically on the question.

Mr. Barry Finlay: Thank you. Let me start with the significant gains we believe have been made in the system as a result of the Council of Ontario Directors of Education projects. Every board in the system, in fact, embraced that, and we had over 72 projects involved over a period of three years. As a result of those, there were two symposia that took place where sharing took place, where the individual boards provided the evidence

to demonstrate to the other boards why the practices that they put in place were effective. Therefore, they were able to take them away with them. So the CODE projects actually function very well for us.

We have now instituted compulsory PA days, professional activity days, for special education for each board annually. Most recently, we provided supports in two areas: one with respect to the implementation of fundamental practices of the Education for All document, which has been very well received in the province, to facilitate the implementation of that document not only in our elementary schools, but also in our secondary schools. The other, specifically, was strategies with respect to improving individual education plans. This was an opportunity for us to get to every teacher through the professional activity days. Now that they are in fact legislated, we will continue to use that process.

A very important area is the area of assistive technology. We really believe that this is an opportunity for us to provide supports for a number of children with whom we have not been really successful in the past. The symposium that we had two years ago we believe has been very effective. We had a number of presenters at that symposium, as well as different programs that have been embraced by the province and are being utilized in classrooms now.

The focus for us really, very importantly, as has been identified earlier, is around improving IEPs. We believe that they are a critical, levered opportunity for us to improve instruction for children, and we will continue to provide additional supports in that area.

Mrs. Liz Sandals: Okay. I must comment that—those of you around the table know that I have a past life as a school trustee and I actually spent, I don't know, six or nine years of that as a member of my board's SEAC, special education advisory committee. The number of times that people advocated to find some way of educating every classroom teacher about special education—I mean, this was the grand wish. To have a legislated directive that every teacher needs to participate in a professional activity day that's focused on special education is huge in terms of what we all advocated for, for years and years and years.

So maybe now the directors could tell us how those projects are falling out on the ground in your respective boards, which are actually quite different.

Mr. John De Faveri: Thank you. I'll give a couple of specific examples, but perhaps I'd like to start off with just a general comment in terms of what I believe are some significant changes in terms of disposition of teachers in general across the province with respect to special education, because as long as we continue to view special education as an isolated entity, we get into the continuing challenge that we've had around separate silos. I think what we need to really do is to say, "What is the reference to special education?" Special education, in my mind, at least, is about giving every single teacher in the province of Ontario a skill set that will allow them to be the absolute best, precise person that they can be in

intervening with any student who happens to be in their classroom.

There is, in my mind, a growing sense of shared ownership, accountability and responsibility for the performance of all students. In our board, and Barry mentioned it, we did have our special education day rooted around the Education for All document. We had specific things that we wanted to do within the context of that day, focusing on two very concrete areas.

One of the things that we wanted to do was to set the framework for what we are rolling out in Thunder Bay Catholic in September of this year. One of the strategies that was identified within the document was called PALS—peer-assisted learning strategies. Our attempt was not to make it look like it was an isolated special education initiative; rather, we took concrete steps at the consultant and coordinator level to ensure that when we were wanting to implement PALS for September it was rolled out to the system not as an isolated entity—one department within the board has an idea that we want to roll out to our kindergarten to grade 3 teachers. It was done to say, "This is a joint initiative of a special education curriculum." We're rolling it out as an initiative, a tier-one, early intervention strategy, which is what we're looking at as a board and focusing our energy on, to say, "If we can capture the students at the entry point, we believe that the long-term benefits are going to be there." Taking that approach allows us to expose each and every single one of our teachers to the precision that we're looking for in terms of their interaction with students. So when we take other initiatives—and, again, that's why it's difficult for me to look at special education as just an independent silo.

The ministry has undertaken, through the Literacy and Numeracy Secretariat, things like moderated marking, and teaching and learning critical pathways. Teachers are engaged together daily in terms of how they can develop a much greater, a much more precise assessment identification mindset. If we can do that with all of our teachers, then it isn't what was around—when I started teaching 30 years ago, it was very easy to say, "I'm a classroom teacher, but I don't have the skill set to be able to deal with this, so it's going to become the responsibility of the special education teacher," as if they had something magical in their arsenal that I didn't know about. That has changed dramatically. There are more classroom teachers—at least I can speak to you about Thunder Bay Catholic—who are on the road to improving their assessment techniques. They're on the road to improving their early intervention techniques so that, at the end of the day, our hope is that fewer students would require such invasive strategies, and it will be the few we really need to attend to.

I can give you some stats on our board; in fact, we support more non-identified students than we do identified students. For all of us in education, we've heard the message of the moral imperative to our students. Just because there are some roadblocks, either with a parent or wait lists, the question is not about when the assess-

ment is happening; the question should be, "What are you doing as an educational institution in that intervening time, when you recognize that a student needs support, in terms of those intervention strategies?"

In our board, there's a difference of—and we don't have many—20 students—560 versus 580 students—whom we are supporting through our special education funding. But the imbalances are with those who are not identified, because we recognize that if we don't intervene now, we're going to pay the price for that further down the road.

I guess, in a nutshell, my caution is always to not look at special education as an isolated entity. It is about the rest of the teachers. There are other branches of the ministry that are doing some remarkable things in terms of improving the skill set with our teachers, and I think that's where we're going to see the most significant change and the most significant improvement.

1340

Mr. Gordon Campbell: If I may, unfortunately, I have 38 years in now. "Thirty" sounds so young.

Mrs. Liz Sandals: White hair's a good thing.

Mr. Gordon Campbell: Yes, it is.

I might just bring some quick reflections on what I have experienced over 38 years, when I reflect back to what it was like in 1970. There have been huge shifts in the province in the last five to 10 years. One of the most significant shifts has been our ability to use, collate and collect data in a meaningful way. When I was a teacher in the 1970s, it was not uncommon for the teachers in the staffroom to talk about what was happening, or so they thought. On occasion, we would read an article that was put on the staffroom wall, or not. When we got to the 21st century, suddenly, information was being shared—research information, information that was happening in other countries and other jurisdictions. Best practices became widespread knowledge. So we've had the ability for a number of years to be aware of the cutting-edge best practices. Are they always best practices? Sometimes they're opinions of what might constitute a best practice, but we've been able to avail ourselves, through professional development and various learning communities, of a lot of new information. That's one thing that has really changed in the last 40 years.

But equally important to me is not just that we have new information, but that we can apply the new information in a meaningful way. So as a director of education, I dare say that 40 years ago I would not likely know how each and every child was doing if I asked for that information each and every day. We are now moving toward that point in time when, through the use of technology and data collection, we are able to access information about students. We can track students, and because we are able to track information on students routinely and in a meaningful way, we can look at trend data over time. The net result of that is that we can have more informed discussions with our teachers, principals and supervisory officers.

One of the things the ministry has done in the last few years that I think is exceptionally significant—I'll say that there are two in particular. One is the coordination of the student information systems through OnSIS and MIS and so forth, which has allowed school boards to share information not only with the ministry but also with one another. That has been most helpful, so that we can make the transition for students leaving and going from one system to another more transparent. That has been a huge saving in educational time.

The second thing that I would suggest that the ministry has done has been to focus on professional development for directors. I dare say, at a point in time, directors may have been perceived as people who coordinate the organizations as business managers, but I think that there's an expectation from the ministry that directors now are educational leaders, and as such, I would suggest that directors spend a significant portion of their day on the educational side of what is a best practice.

Supervisory officers who are responsible for education within the schools and work with the principals spend much more time than I did as a superintendent on going into schools and supporting principals, and similarly, principals working with teachers. That is the result of the ministry putting the focus on changing practice in a K-to-12 environment. We no longer just talk about special education as an isolated silo, as was mentioned; we talk about students progressing through the K-to-12 continuum. A student may have special needs, that is true, but we're looking at the K-to-12 curriculum as a package because there are expectations to meet the ministry targets of having a higher proportion of our students graduate. Whether or not you are special needs, there's still an expectation that we are going to do everything we can to support you in graduating.

Mrs. Liz Sandals: Gerry, did you want to dive in too?

Ms. Gerry Connelly: I do. I will reaffirm and endorse everything my colleague said, and I will try not to repeat it, but I certainly would like to point out that one of the major things that we've done is break down the silos and work together.

I just want to provide some context, because I think the deputy talked about choices in a system. In our system, we have multiple choices. About 78% of our students are integrated into our regular classes. I understand that the provincial level is about 80%. We have what we consider to be congregated sites with students with multiple exceptionalities, and there are about 360 of those students in seven sites. Then we also have sites that are not congregated, but they're designated for students who may—very often, parents would choose to send their students to these sites. We have about 1,500 students in these. The rest of the 40,000—and as pointed out, only half of them are IPRC—are in regular schools in a variety of models of integration.

One of the things about which I totally agree with my colleagues here—and we actually haven't talked about this before, so it's interesting to hear—is that we are

committed to making sure that every single teacher is sensitive to and understands what best practice is.

We have in our schools a program that we—first of all, in some of our schools we integrate the students for half a day, and for half a day they're in a special program with trained people. We also have teachers who are taken out of the school once every two weeks and given special in-service training so that when they go back to do the half-day, they have the luxury of the best practice. That's part of our training.

We also have regular professional development. We have a consultant assigned to every single one of our family of schools. We have special training in areas like autistic etc.

But the one thing that I do as a director is I have conversations with my superintendents. I ask them to identify all of the students in their family of schools who are not performing at the provincial standard, and that includes students with exceptionalities, IEPs. Some of them actually come with names of students, because they go into the schools and find out who they are. We look at what you can do between September and January to move the students: what's working and what isn't working. I have 24 family-of-school superintendents. We sit in groups of six and talk about that. If they're not moving, then the question is, why aren't they moving and what do we need to do that's better?

The other thing we ask the teachers is, "Do you think that these students can move at least half a level in six months?" If a teacher says no, we talk to the teacher and say, "Why are you saying that?" Because if we don't believe a student can learn, obviously they can't learn.

One of the things that has been very advantageous in the province is that we've been able to learn about and share effective instructional strategies. We have a list of instructional strategies that have been demonstrated to be successful. So the superintendents work with the principals and ask the teachers, "How many of these instructional strategies are you using on those students who are not moving? If not, why not? And are there other things you could do?" Sometimes we find that teachers—and I'm going back to what Mr. Marchese said—are not doing this for a whole variety of reasons, maybe because they don't know about it. The question is, let's be strategic. Let's find out which teachers are not doing this and let's work with them.

What we're trying to do—I think you both talked about how the ability to have the conversation in a meaningful way is a major breakthrough. Thanks to all of the work that has been done in the province, it has given us a way of having the conversation. When you have a conversation that's meaningful, you have to start with data; otherwise, it's not meaningful. So the superintendents come with data. The superintendents go to the principals and ask them about the data. Then they use that as a starting point for the conversations. That has been extremely valuable, and that has worked very well in all of our schools, because we expect improvement in each

and every one of our schools, whether they're congregated sites or in regular classrooms.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mrs. Sandals. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you all for the very good presentations. I'm not nearly as qualified to speak about the intricacies of special education and the needs and challenges that you face. I guess I'm just a politician who gets to ask questions related to what the auditor found when he looked at how our program was working on behalf of the people of Ontario.

We were told that from 2001, when he looked at it last time, to 2008, when he looked at it this time, there was "some" improvement—not significant improvement, but "some" improvement.

I guess my first question would be, what about all the students who were missed in that time? We're getting better, but how long can we just keep making one step at a time and watching all the students get missed who need that special help? Because seven years later, there's a whole new group of students.

1350

We talk about the waiting list. We've made it shorter, but what do we need to do so we don't have a waiting list? Obviously, the people who are on the waiting list are missing out on services they need to fulfill their full potential in life. So what do we do? I guess that's the question. That's why we're here discussing this, not to see whether education is working well and whether the school boards are doing everything they're supposed to generally. We're talking specifically about what we need to do as a society to make special education more responsive to the students who need it.

From the auditor's report and from what I'm hearing today, I'm hearing an awful lot of, "We're working on it, but we don't know exactly what to do." At some point, we have to decide at least what it is we're going to do to try to make it better or to make it as good as it can be made.

Mr. Ben Levin: I think we actually have quite a clear strategy for improvement that we've been carrying out over a number of years. Now, I do want to say in regard to the auditor's report that there isn't anything in that report that says there is a problem with teaching or with outcomes, because the review is really primarily a review of documentation. We would all say that the outcomes aren't where we want them to be, but primarily what the auditor looked at, which is his mandate, of course, is the documentation. They did not observe teaching practices. They did not observe interactions between teachers and parents. So we're inferring from what's in the files about what's the actual practice, and that's always a bit tricky to do, because of course people may be doing lots of things that aren't actually written about in the file. So I need to make that as a starting comment.

In terms of strategy, I think I've tried to outline what our strategy is. The main element of our strategy is to help every classroom teacher get better at working with

diverse students. That's the single most important thing to do.

The second thing we're trying to do is learn more about what effective practices are, so that we can give our educators better guidance and direction on what practices they should be using and which practices will be most effective with students.

The third thing is—

Mr. Ernie Hardeman: If I could just stop you for a moment there, there's an old adage about, "If you don't know where you're going, every road will get you there." One of the things that's very specific in the auditor's report is that we don't have a measurement of success. We don't know how well we're doing except that in certain cases the test scores have gone up. An awful lot of the special needs in our special education system are not measured by test results. As we have the ability to instruct and help the instructors get the message across, there must be some way we can measure success and where we're getting better.

Mr. Ben Levin: I want to say about that that for the vast majority of students in our special education system, the outcomes ought to be the same outcomes we expect from all students; that is, we expect them to develop literacy and numeracy skills and we expect them to graduate from secondary school.

The number of students for whom those expectations do not apply is really quite small. We're talking there about students with very severe, typically multiple handicaps. But I personally do not want to budge off the expectation that the vast, vast majority of students in special education can meet our normal curriculum requirements. For a small number of others, that is the case, and there we do have problems around what those measures are because they're very specific, and I'm going to ask Barry to comment on that.

Mr. Barry Finlay: Thank you. Actually, in response to the Auditor General's report, we are in the process right now of gathering practices around the province used by boards to recognize and be able to communicate with parents learning and achievement for all students. So for those students who are not accessing the provincial curriculum, they too need to have a regular recognition of the learning that's taking place for them. We plan to have that in place for September 2009.

Mr. Ernie Hardeman: I guess we could all agree that one of the things in the auditor's report is the issue of measurement. Obviously, the whole report is about value for money, and it's hard to talk about value for money in educating special-needs kids, but that's what it's about. For the extra that the province is putting in, are we getting enough results? Are we getting results to compensate for that?

We will, a year from now or two years from now—I think it's two years from now—get a review of this and how we're succeeding with the recommendations in the auditor's report. What are we doing right now to get to that review, two years from now, so we don't end up with a report that says exactly the same thing: that we still

can't measure where we're going? What types of things are we doing in the system?

Mr. Ben Levin: I don't accept that we can't measure where we're going. I think that it is certainly the case that there are some students, as Barry has suggested, for whom the regular curriculum outcomes are not the applicable measures, and we have work to do with that relatively small number of students. But for the vast majority of students, the measurement is their ability to meet the regular curriculum expectations. That's why we can say that that gap between special education students and regular students is too big, because we know what those outcomes are. So I cannot accept, sir, that we don't know where we're going on this.

Mr. Ernie Hardeman: Maybe I'm using the wrong words. It's not that we don't know where we're going. We know where we want to be, but we don't seem, from the auditor's report as I read it, to know where in that road we are, how fast we're moving. We can't measure individual success stories. Maybe I'm wrong, but that's—

Interjection.

Mr. Ernie Hardeman: It'll start automatically.

Mr. Gordon Campbell: Oh, I'm sorry. It will. Very nice technology.

Mr. Ernie Hardeman: Oh, we have real technology here. You bet.

Mr. Gordon Campbell: I would suggest that—again, I'm going to reflect back. When I look back, and I'm talking that 38-year continuum, there was a time when we had one document that was valuable to a teacher from year to year, a document called the OSR. Within that OSR resided the report card and so forth for students and sometimes the notes and so forth, but that was basically the repository for knowledge about the student, other than, perhaps, some notes that might be exchanged from teacher to teacher, if that happened.

Because of the new technology, because of the data warehouses, because we're now able to digitize a lot of information, I would suggest that teachers of today actually have the opportunity to exchange more information. We're at the early stages of learning how to share information. I hear reports that the knowledge of the world is doubling every four or five months, which means that we're all buying more and more storage space on our computers. But as we go forward, teachers are learning and starting to say, "What type of data is helpful to pass on to the next teacher? What data from the last teacher would help me in best practices? What things worked and what things didn't work?" So I think it's these efficiencies that we'll find with the use of data, with the exchange of data, and I think that's going to be the tool to help improve and measure outcomes over the long term.

As a director, as a school principal—I'll go back 15 years ago. Fifteen years ago, as a school principal, if I wanted to know how a student was doing, I would have had to go to the file cabinet, look in an OSR, pull out an individual OSR and then go through paper for the next 45 minutes to an hour. I am now able, because of our

collection of data and data sets, to perhaps go back and look at the career of a student since kindergarten or grade 1, for eight or nine years, and from that maybe look at some trend data and ask them specific questions. So I think part of the answer to where we will go forward is the use of data, the training of teachers and staff on how to collect and analyze data. That's going to require professional development, which the ministry has supported a great deal of, because we are in a data-rich world and we have to learn how to manipulate and use that data to our advantage to support the students.

Mr. Ernie Hardeman: I'm not arguing that there's a lot of data. What I'm saying is that the auditor's report said that there wasn't enough data for his purposes, to come to the conclusions that he wanted to come to, and I just want to impress upon everyone that that's the type of data that needs to be collected and carried forward so that next time, when he goes in to audit, to see whether things are getting better, he doesn't say the same thing: "You have a lot of data, but not that which I need to deal with special education and how it's improving or not improving within the system." That's the challenge, I think.

The other thing I would just like to ask is if the committee, after this review—and our purpose here is not to find fault with what people are doing; our purpose here is to come and make recommendations to government, to the Legislature, of what we need to do to make the system better. If I were to ask you what that should be, what recommendations we could make—and most of the time, as we have different departments before us, it's, "Put in more money and the world will be a better place," but it sounds to me that with special education, that's not the answer. So what should we do to recommend to government that would help your situation in improving special education?

1400

Mr. John De Faveri: If I could just start with a few points that I would really like to make: Before you today, I believe that there are correlated data sets that aren't here that would help answer the question, because as I see it, we're talking about two different things. We're talking about whether there is evidence that the documentation around special education is appropriate versus whether we are seeing demonstrated improvements in student performance in general terms. I don't have the data here with me, but I am pretty convinced that if you were to ask other questions, the evidence of what are the improvements that are happening provincially with our special education students and all students would be there. For example, if we were to analyze when EQAO first started, how many students that were identified as special education students were exempted from those provincial assessments? How has that changed over the interval of time that EQAO has been here? Because I believe that the answer to that question is, there are more and more students participating today than there would have been five years ago who would have been identified with an exceptionality.

Mr. Ernie Hardeman: Again, we can get way over and have a debate where I would be unarmed because I don't know how to debate that, but all I do know is what the auditor says in his report. I expect that in preparing his report, he decided what was necessary in order to report to the Legislature of what the challenges were in special education. Now, if he didn't gather the right information, I expect, likely, that will become part of the debate when we review his performance, but right now we have to deal with what he has in his report. That's the challenge: What do we do so that he doesn't have to report the same thing again, because we have solved or at least produced the evidence that it didn't need solving before he does his follow-up review?

Mr. John De Faveri: I've had a conversation at our board with our superintendent responsible for special education, as well as the rest of the special education staff. So I can tell you, and it's been referenced in the auditor's report, that if I were to identify what the biggest, singular challenge we face is—we have resources. The question becomes, do we expend those resources on the teachers working with the students, or do we expend those resources on the paper trail, on ensuring that the data—where do we do it? Because we can't do both.

I would have to say that we at Thunder Bay Catholic tend to err on the side of saying, "We will be able to show results for our students because we've invested in the front line, the teachers working with the students." We acknowledge that in doing that, we have some things that we have to do in terms of: If an auditor comes in, do you have all the documentation? Is it in the OSR? Is it in electronic format? Where is it, so that we can feel comfortable? But to me, the question is, what's the threshold? What's the comfort level of paper evidence versus that we're making a real difference for students? For us, in a board of our size in northwestern Ontario, that is our biggest, singular challenge. Together with the other part that I mentioned earlier, just because a student hasn't yet been identified, do you deny services or do you not intervene where appropriate?

Mr. Ernie Hardeman: If I could just go there for a moment and then we could get back: On the identifying, is there any evidence, shall we say, that deals with those that you give the treatment to and help along without the identification? Is there any negative impact on that and those that were identified and then start the treatment? How often are we right and how often are we wrong without the assessment?

Mr. John De Faveri: I'd be able to answer that much better in a year's time because, as I did mention, one of the things that we are doing as a school board is acting on the singular strategy that was identified in the Education for All document, and that's the PALS, the peer-assisted learning strategy. So our intent is that we are working on data collection from K to 3, which is where we are rolling out the program, to find out what that early intervention, tier-one strategy—which will be used by not just the special education teacher but by a variety of teachers—does in terms of the profile and the success that

we're seeing. What will it do five years from now in terms of the number of students that we've actually been able to prevent from the potentially significant interventions that might otherwise occur? For us, it's a work in progress. We're excited about it, but for us the answer will come in time to find out if it was successful or not. Our preliminary indication from Vanderbilt University and other sources says that it will make a huge difference.

Mr. Ernie Hardeman: Very good; thank you. I think the deputy had a comment.

Mr. Ben Levin: I wanted to say something on the outcome issue. On page 368 of the auditor's report, he provides the outcome data from EQAO on key measures for students with special education needs. What you will see there are very significant improvements in the proportion of students reaching our standard. Now, there is nobody in my ministry who would say that those numbers are something that we can rest on our laurels about and they're high enough. I'm sure that none of my colleagues at the table and no one who works in the special education system would look at those numbers and say, "Hooray, our work is done."

What they do show is that we have made some significant improvements of 50%, 100% and, in some cases, 150% increases in the number of students achieving that standard. I can tell you that in Ontario the number of students who are below level two on EQAO—level two is a basic level of competence; level one is students who are not at a basic level of competence in reading, writing and math—the number of students below level two has fallen by 50% in the last four years. We are now at fewer than 5% of students in Ontario who are below level two.

In most countries, level two is what they use at their competence indicator, not what we call level three. So when Australia reports that they're at 88% of students competent, that's level two. We're at 95%. Ontario students are among the highest performers in the world on all of the last three or four recent international assessments that have been done. Those are eight-year-olds, 12-year-olds and 15-year-olds.

I want to say that I accept fully the auditor's concerns that there is much more work to do around IEPs, around good educational practices and around tracking outcomes for students. I fully accept that, the ministry fully accepts that and I'm sure my colleagues at the table all fully accept it as well. I am very proud of what we've done, but I don't think anyone here would claim for a minute that we're close to where we can be, because the history of education is that every time we raise the bar, we find out that more people than we thought could jump over it. So we need to continue doing that.

Mr. Ernie Hardeman: I want to assure you, I'm not condemning the successes. My job is to find out whether there aren't solutions to the failures. I may very well be talking about the minority of all the children with special needs. I do believe I am talking about the minority, but the minority also have a right to be heard from. That's why I want to focus on that area where we're not meeting

the challenge that we had hoped to meet. That was the reason about the success rate, whether there's a difference. I agree with the previous answer to the question that it makes much more sense to be putting the services into the children than into the paperwork. I'm not trying to say that I want to divert money to the paperwork, but at the same time, if that's what the auditor says we need to look at, then I think this committee could make the recommendations that we do less paperwork and he should quit worrying about that, right? That's why we're here. We're not here to condemn anyone. I'm looking for solutions.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Mr. Hardeman. Mr. Marchese?

Mr. Rosario Marchese: I just have to tell you that I'm a fan of the paperwork and I'm a fan of the paper trail. I think that the paperwork and the paper trail allowed us to understand what the problems were.

I recall the Oshawa trustees, who were conservative-minded people—after all, they brought this in—saying, "Please don't take it away now. We like it now." They didn't like it initially because it meant more work for the teachers, but by the end of it they said, "Please leave it alone." You might argue that they had different reasons for it, but for me, once you have a paper trail you know what the problem is and then you apply for money to be able to get the help. I don't agree with your director from Thunder Bay when he says that you could spend money in the comfort of paper evidence or you could do something else. He suggested that whatever else is being done is much more effective, and I don't agree with that.

A quick question to the directors: Do you support EQAO tests? Just a yes or no.

1410

Ms. Gerry Connelly: Yes.

Mr. Gordon Campbell: Yes.

Mr. John De Faveri: Yes.

Mr. Rosario Marchese: You all talked, including the deputy, about best practices; learning achievement for all students; special ed being not a silo but a continuum; directors of education who are leaders in education; and that we apply new information in a different way. You talked about data collection and data technology. One of you talked about correlated data sets. If somebody has correlated data sets—do you have a copy of such things?

Mr. John De Faveri: No.

Mr. Rosario Marchese: Who does?

Mr. John De Faveri: I believe that through the ministry—

Mr. Rosario Marchese: You do? Gerry, could I get a hold of that correlated data set? It sounds interesting.

Ms. Gerry Connelly: I assume that by correlation, we're correlating different factors to—

Mr. John De Faveri: Yes, precisely.

Mr. Rosario Marchese: So you have it.

Ms. Gerry Connelly: Yes.

Mr. Rosario Marchese: Okay. Does the ministry have any correlated data sets?

Mr. Ben Levin: I'm not exactly sure what is meant by that, but—

Mr. Rosario Marchese: Okay, well, when I get it, I'll share it with you.

Mr. Ben Levin: Good.

Mr. Rosario Marchese: Okay, so we have—

Mr. Ben Levin: The ministry has a lot of data.

Mr. Rosario Marchese: All right. It's instructive, I'm told, so I'd like to see it.

All the directors have read this report, correct?

Ms. Gerry Connelly: Yes.

Mr. Rosario Marchese: The main points are:

"Inadequate information collected by boards" regarding "exceptional students: While there had been some improvement ... , information collected by school boards about exceptional students was insufficient to support effective program planning, service delivery, oversight, and the identification of effective practices.

"Quality of learning goals/expectations in IEPs: For exceptional students working toward modified curriculum expectations, the IEPs examined by the auditor had learning goals and expectations that were generally measurable for literacy and numeracy, but were often vague for other subjects. Schools could, therefore, not measure the gap between performance of exceptional students and regular curriculum expectations, and as a result could not assess the appropriateness of the change in the performance gap between reporting periods....

"Identification, placement and review committees ... lack documentation of decision-making: IPRCs make significant decisions regarding the education of exceptional students, yet do not adequately document the rationale or the evidence upon which they rely." This is tough stuff.

"Regulation 181/98 ... : This regulation requires school boards to consult with parents in connection with IPRCs and the preparation of IEPs. The student files examined by the auditor did not have sufficient evidence to demonstrate compliance"—although some of you talked about how much work you're doing with parents these days.

"Allocation of resources: One of the audited boards decided to conduct fewer formal assessments and IPRC meetings in order to help offset the cost of additional special education teachers." "To offset the cost"—I'm assuming that someone might argue that it's not to offset the cost but because you could do it better, doing something else. "The ministry needs to determine which strategy—additional direct service or formal assessments and IPRC meetings—yields the better student results."

I'm going to ask the deputy later about this, but I read this out for the directors so they can comment about your reaction to this, based on all the things you said earlier on.

"The provincial report card is not geared to exceptional pupils....

"Report cards lacked candid portrayal of student's performance: Particularly at the elementary level, there were examples of report cards discussing the student's positive

attributes, but not their performance relative to curriculum expectations....

"Planning form lacked essential documentation: A form to plan the transition of exceptional pupils from secondary school to work, community living or further education—though completed by schools—lacked an indication of whether the actions on the form were completed, and to what degree of success."

Finally, "The ministry does not require school boards to establish quality procedures"—I was going to ask the deputy that, after you've been able to hear this and give your assessment of what you just heard. "Procedures are necessary to assess the qualities of the schools' special education services and supports, and whether the schools complied with legislation, regulations and policies. None of the audited school boards had established such procedures."

Given what you heard, could I get a brief comment from all of you with respect to what you told me you were doing, and all the knowledge you have, and what you've heard the Auditor General present to you, and your reactions?

Ms. Gerry Connelly: Can I start with the report cards? I happened to have been the director of the curriculum branch when we developed the curriculum, under the Conservative government, with the Ontario report card for the first time. Since then, there have been modifications. Right now, the report card is under review and the process is to look at some changes, because clearly over time we listen and learn. So the government is looking at the report card. We would agree with you that there needs to be some work, as a result of using it for many years. Mr. Marchese, when you were a trustee with the Toronto board, there were 200 report cards in one school board. There's now one standard report card. Clearly, we've learned from having one standard report card across the province, and the government is looking at that.

I want to talk about modified expectations, because that is something that in our board—

Mr. Rosario Marchese: Just before you go on, because I know you'll want to tackle individual areas—

Ms. Gerry Connelly: Right.

Mr. Rosario Marchese: I just want your general impression about all of these things that in my view are quite critical of what is not happening, rather than taking one issue and telling me what a board is doing about it or—

Ms. Gerry Connelly: The general impression is that the quality assurance that you talked about—I would say that we do have support around quality assurance and we are setting up mechanisms and processes to deal with it. Clearly, we know that we need to improve, and we welcome the recommendations from the Auditor General on that. Our quality assurance is something we take very seriously—not so much putting it in words, but actually doing it and having the teachers understand what it means in areas outside of literacy and numeracy. We agree that we need to do more work in that area.

Mr. Gordon Campbell: I'm supportive of what has been reported by the Auditor General. I believe that there are areas that we as a board can improve on, but I anticipated that we would hear that there are areas that we could improve on. I believe that as an organization, we have been improving. The student achievement results for our board have improved and continue to improve. As we work with the teachers and with the staff and we organize our strategies in a meaningful way, I think we will address the issues of the compliance with paper.

One of the areas that stood out for me in the report talked about smart goals. Our focus on literacy and numeracy for the last number of years has been working with staff to develop what we call smart goals, where they're very measurable. That's a new way of looking at the strategy of outcome. It takes some time for people to learn how to write them and how to measure them and to be that focused. That being said, I've watched as our staff has learned, and they've embraced that concept.

So I would say that there's a lot to be learned from the report, but I think that the report also acknowledges that there has been improvement.

Mr. John De Faveri: For us, we've embraced the auditor's report because it allows us to have a look internally and identify our own strengths and weaknesses, and where the work is that we need to do. Again, we have already begun to look at those recommendations and have set up a multi-year plan to tackle what's within our capacity to do immediately. Do we just have to say, "It has to wait. It's got to be year three of a five-year plan"? So we've taken the report, welcomed it, and we've already started to act on it.

Mr. Rosario Marchese: Thanks very much.

Deputy, first question: "Procedures are necessary to assess the qualities of the schools' special education" services and supports," and the audited school boards are moving on that, but what about the other boards?

Mr. Ben Levin: We do have a process of working with all boards on this. We did a series of reviews of special education practice in—12 districts?

Mr. Barry Finlay: Eleven districts.

Mr. Ben Levin: Do you want to say something about that?

Mr. Barry Finlay: Yes, I do. Actually, we—

Mr. Rosario Marchese: Not too long. If you've got a process in place and there's a timeline, that's great.

Mr. Barry Finlay: We do. We actually went in and spent four days in 11 different district school boards across the province with a team of people. There were program and financial reviews. We met with parents, we met with SEAC members, we met with the administration of the boards, we met with teachers, we met with educational assistants, and we've gathered all that information to identify effective practices.

1420

Mr. Rosario Marchese: So the timeline is?

Mr. Barry Finlay: We actually have completed those reviews and we are now doing more specific reviews in

the areas of two components of the grant, in the special instances portion and the special equipment allocations.

Mr. Rosario Marchese: Regarding quality procedures. We're talking about quality procedures, right? The ministry does not require school boards to establish quality procedures: That was the question.

Mr. Barry Finlay: That was part of the process where we were gathering the information when we went into the boards, and the ministry has just released dollars to boards to support the ongoing audit process. But we're aware, as a result of the IEP process that we put in place, that boards in fact have implemented quality procedures around their IEPs and as part of the PA day.

Mr. Rosario Marchese: But my question is, does the ministry require school boards to establish quality procedures, yes or no?

Mr. Ben Levin: Not at this point.

Mr. Rosario Marchese: Are you planning to?

Mr. Ben Levin: Yes, because we've accepted all the recommendations from the auditor's report.

Mr. Rosario Marchese: And what's the timeline on that?

Mr. Ben Levin: I can't tell you exactly what the timeline is because that's a process in which we have to find out more about what boards are doing and what that would look like.

Mr. Rosario Marchese: Okay. Regarding the intensive support amount funding, I recall when I was dealing with you and Monsieur Kennedy the last time that \$950 million was spent as a result of the ISA funding. That's the figure that I saw in your document.

Mr. Ben Levin: It seems about right.

Mr. Rosario Marchese: What happened to that intensive support amount funding that was not converted into enrolment-based special education funding?

Mr. Ben Levin: It was all converted.

Mr. Rosario Marchese: All of it?

Mr. Ben Levin: Yes. The total amount of money for special education has continued to increase. There was no money taken out.

Mr. Rosario Marchese: And we can track that easily?

Mr. Ben Levin: Yes. We can show you the amounts, because in each year's GSN, there will be a total amount that would have been called ISA which then became called high needs, so we can show you what those amounts were for each year.

Mr. Rosario Marchese: Okay. If you could show me, that would be helpful.

Mr. Ben Levin: Certainly.

Mr. Rosario Marchese: But not now; just send it to us.

Mr. Ben Levin: Yes.

Mr. Rosario Marchese: On page 5, around identification and placement, there is—

Mr. Ben Levin: Sorry, page 5 of what?

Mr. Rosario Marchese: The report. They don't have that report? Of course not. Sorry.

Mr. Jim McCarter: No, they don't have that report.

Mr. Rosario Marchese: I beg your pardon; it's not helpful to you. It says here in this report, it shows that "about a third of students receiving special education services have not been formally identified by an IPRC." We all know that; it's part of the figures. "This occurs for several reasons:

"—schools may have already started providing programs and services to the student before formal identification has been completed;

"—parents may be unwilling to have their child identified ... ; and

"—both the school and parents may decide that formal identification is unnecessary as the student's needs are being met by the school's current special education program."

My question is, without a formal IPRC and regular reviews, how do we guarantee accountability?

Mr. Ben Levin: We guarantee accountability through the measures of outcomes that we do for every other student: report cards. If students are progressing well in their report cards, that's our measure of accountability. If we went to an IPRC and the IPRC concluded that all the program requirements as set out in the IEP were met but the student was not making any academic progress, none of us would say we had met an accountability requirement.

Mr. Rosario Marchese: Except, Mr. Deputy, "The provincial report card is not geared to exceptional pupils," it says here. I just read out, "It does not report to parents or students on the achievement of the various learning expectations in the IEPs of students being assessed." So how could a report card help us?

Mr. Ben Levin: Because the vast majority of students who are in special education, we believe, are able to meet and should be meeting the normal curriculum requirements which are in the report card.

Mr. Rosario Marchese: You see, I don't buy that. This is where they have identified a serious problem, and I think we're not dealing with it properly. You see, in my view, if you have an identification placement review process in place and then you have the IEP, it means you identify a problem and you identify steps to be able to deal with it. Without it, I have absolutely no way of knowing—absolutely none, other than your word—which says, "We're dealing with it."

Mr. Ben Levin: No, I don't agree with that. I would say that as a parent or an educator, if what I see is that my child is meeting curriculum expectations and is progressing at the rate we expect children to progress, that is the accountability indicator. I am not interested in having somebody tell me, "Your kid may not be learning anything, but we did everything that was in the IEP, so we wash our hands of it." I am completely committed to curriculum outcomes for all children, as are my colleagues here. There are a very small number of children in special education who, I think fairly, cannot meet those.

Mr. Rosario Marchese: I think we have a serious problem in that regard; I really do. I just wanted to

identify it. I hear what you're saying. I believe this is a huge problem, but I don't have time to delve into it too much because I've got a few other questions.

"The audit team found that 11% of the exceptional pupils in their sample, who had started school at the board by the beginning of grade 1, had not received their first IEP by the end of grade 4, and there was no explanatory information in the file....

"John McNamara, a professor who specializes in learning disabilities at Brock University and a member of the Canadian Association of Education Psychology, was quoted in a recent press report on special education as stating that, 'For many kids, the help comes too late to catch up.' The Learning Disabilities Association has publicly requested 'universal screening' of primary students for learning disabilities."

Any reaction to that, by any one of you, I guess?

Ms. Gerry Connelly: I can speak to it for our board specifically, which may be useful. First of all, we have a large number of students who come into our system who do not have English as a first language, and so it takes a few years, or at least two or three years, before we know that the challenge is language or a learning disability. Very often, we have a significant group of parents who feel that we inappropriately place students in special education and they regard it as a form of streaming when it should be really an issue around language.

We also have a significant amount of mobility in our system—

Mr. Rosario Marchese: I understand.

Ms. Gerry Connolly: Those are the kinds of reasons. It's not because it's a lack of—but we also—

Mr. Rosario Marchese: Okay. But if you could just—"The audit team found that 11% of the exceptional pupils in their sample, who had started school at the board by the beginning of grade 1, had not received their first IEP by the end of grade 4."

Mr. Barry Finlay: If I may, Mr. Marchese, we may not assume from that that they haven't received additional supports because, in fact, boards provide supports for children and they don't have to be identified.

Mr. Rosario Marchese: How do we know?

Mr. Barry Finlay: We know because we have a number of processes in place and our elementary teachers do a great deal of informal assessment in order to diagnose the needs.

Mr. Rosario Marchese: If that is true, would you not have picked that up in the audit?

Mr. Jim McCarter: We basically said that 89% did have it documented properly. We said that 11% didn't have it, and we went looking for documentation as to a reason why this hadn't happened. Again, it was kind of the issue with documentation, that it wasn't there, and we thought that would be a question for someone to ask if they were coming into a quality assurance review—how come it wasn't there?

Mr. Rosario Marchese: So how do we get that?

Mr. Jim McCarter: I think that was the issue that we were raising on that particular point.

Mr. Barry Finlay: How we get there is, we've already put a memo out to all boards that all students receiving special education programs and services will have an IEP after an appropriate period of assessment. What we don't want our boards to do is trust to judgment on behalf of children who are three and four years old and when they're still developing. We are working on that and we'll have something in place.

Mr. Rosario Marchese: If we could get whatever information you have in response to that, so that we have a copy of it, that would be helpful.

Mr. Barry Finlay: Right.

Mr. Rosario Marchese: Did you get a report? Did you distribute the report, by any chance? Is that what somebody did, or no?

Mr. Ben Levin: Yes.

Mr. Rosario Marchese: Yes? Yes. On page 7, at the top of the page:

"Information in the audit and the press states that about one third of students receiving special education services have not been formally identified as having an exceptionality. While there are several reasons for this, does the ministry keep track of the number one reason behind the 30% of pupils who do not undergo a formal identification?"

Mr. Barry Finlay: I would say that the ministry does not keep track of that because that is a process the boards govern with respect to their own processes. Once again, they're dealing with individuals who may or may not want to be identified. It's a parental choice whether they wish to be identified, but the boards continue to provide programs and services for them. We still request boards to report on the utilization of their dollars; however, it is not mandated that all children who receive special education programs and services must have a formal IPRC.

The Vice-Chair (Mr. Jerry J. Ouellette): Mr. Marchese, you have a minute left.

Mr. Rosario Marchese: One minute. Do we have a chance to come back? Do we have enough time?

The Vice-Chair (Mr. Jerry J. Ouellette): I don't think so.

Mr. Rosario Marchese: I can't believe it. Thank you very much, Deputy, and directors.

The Vice-Chair (Mr. Jerry J. Ouellette): Mrs. Van Bommel?

Mrs. Maria Van Bommel: Thank you very much, Chair. Everyone agrees that early detection, identification and intervention lead to much-improved outcomes. I know there's a large network of Early Years centres and Best Start centres throughout the province, and in my riding, the Best Start centres are actually sited at schools. Part of it is because of the situation, the natural linkage with the schools, but also because in rural areas, that's a natural siting for that kind of endeavour.

Do you have any data, when children are identified through an Early Years or Best Start centre, as to how many of the children coming into the school system at JK and SK are identified as having special needs?

1430

Ms. Gerry Connelly: Let me just speak to what we do know. Through the Atkinson Foundation, we have done research on our parenting or family literacy centres, and we have found that when students have that kind of experience—and I know the government is funding more and more of them—they have significantly fewer challenges and do much better in kindergarten.

The government also funds something called the EDI—early development indicator—that measures five different levels of development. We've been able to track that to EQAO scores and even up to grade 9. One of the things we find is that in certain parts of our community where there are not the kinds of services that are needed to support certain areas, the students do not do as well. So the onus is then on the school as to what we can do to help our students who require those kinds of significant additional supports. Those kinds of early interventions and early diagnoses are really useful to help us as we work, because those are critical years. I know my colleagues can speak to those as well.

Mr. John De Faveri: We certainly do use the same. The EDI data is basically some information that we use in terms of who, by population and geography, we believe are most vulnerable, most at risk. That information was also used in Thunder Bay by the local DSSAB in order to make a determination as to where the placement of the Early Years centres would be. In addition to that, one of the things that we've really started to move on quite intensively is the expansion of an instrument called the Web-based teaching tool that we have rolled out. As a matter of fact, prior to the auditor's report we had set that as an expectation for ourselves as a board. Before, we did not roll it out in all of our schools with all of our students. Now, we do. Again, it goes back to that issue.

The full implementation of the Web-based teaching tool, together with the peer-assisted learning strategies, is how we believe at Thunder Bay Catholic that we're going to make some significant inroads in terms of early identification, early intervention and much shorter interval times in terms of gathering data points on progress for students around some key indicators. So we're extremely optimistic and hopeful about what we'll be able to do for our student population.

Mr. Gordon Campbell: If I may, Simcoe county is an urban/rural mix, about the size of Prince Edward Island.

Mrs. Maria Van Bommel: So's my riding. How did that happen?

Mr. Gordon Campbell: That's why I gave that reference.

What I've found is that we have not had a lot of supports in certain parts of our community because of the geography, I would suspect, and the population density. We also have used information we've gathered through EDI. We've used census data and Trillium data that was provided, and we work with a group called the Simcoe County Coalition, where we work with the various agencies and other ministries to look at how they can provide

services and supports to children and families before they start school. The early data would suggest that those connections are helping the families feel much more connected to the school because children with needs are being identified and flagged earlier, so we have a smoother transition for a child entering the school system. But it's an area that we're trying to develop and grow by working with the various ministries.

Mr. Barry Finlay: I'm in support of a tool that was conceived through co-operation with the Ministry of Education and the Learning Disabilities Association of Ontario. Over 30,000 students now have benefited from that tool. It is an early assessment tool. The real value of it is that it also recommends instructional strategies to meet the needs of the students who have been identified through that assessment. We will continue to support the growth of the use of that tool in the early years.

One other piece that's important, I believe, is that in 2005, the minister released the Planning Entry to School guide. So transitions for children with special education needs is a critical area that we're focused on and one that was mentioned through the Auditor General's report. This focuses on the initial entry into school, but in fact we're moving to support all transitions for students with special education needs.

Mr. Gordon Campbell: If I may, can I just add one more comment? I'd like to comment on the effectiveness and the power of our local SEAC in supporting the school board and the children within the community to ensure that we provide those services and connect the dots, because it's through our local SEAC that we're able to provide a more balanced and equitable delivery model throughout the county.

Mr. John De Faveri: At Thunder Bay Catholic, we're also one of the sites in the province where the collaborative services project has been funded. What we're doing is taking much of the learning around how effectively we're able to meet the needs of a growing number of students within the autism spectrum disorder, taking the learning from that specific project, but then extrapolating it into a much broader context—so a greater ability for us to interact, particularly in our local circumstance, with the Thunder Bay District Health Unit when children are very, very young, when they're still in the home, information that we're now able to exchange so much more freely and that prepares us for not having to be in the home when the child is one year old. We know that we've linked up with agencies that are there to provide those students with support, so that when they start school with us, we've got three years of significant information that we can use. We're looking at that model to say, "Gee, I wonder how we can extrapolate that to the greater population that we're serving." There may be opportunities there that we just don't see yet.

Mrs. Maria Van Bommel: This is addressed to the deputy minister. The Early Years centres and the Best Start centres are the responsibility of the Ministry of Children and Youth Services, and in your presentation, on the last page, when you list the next steps you refer to

a collaboration with ministries like health and children and youth services. Can you detail some of the things that you're doing across ministries right now to assist with improving the outcomes for the children?

Mr. Ben Levin: Yes, and I'll ask Barry to say a bit about this. Autism is one example where we're working very closely with the Ministry of Children and Youth Services. But I would say around early learning that there are a number of ministries involved in this. The Ministry of Education also funds a variety of parenting and family literacy centres across Ontario, which are a vehicle to bring very young children and their parents into a school environment and support a very informal approach to literacy. So we're talking with MCYS and in fact the Ministry of Health Promotion, which has also got a set of programs that it now wants to run around after-school and preschool programs, about making sure that we're coordinating the location of those through the community use of schools program. And we're making space available to external groups that run those programs at no cost in schools because we provide funding to boards to do that.

As we work towards the release of the report of the early learning adviser, we're in a lot of discussion with MCYS and Health, in fact, about how we are going to be more coordinated around existing services; how those are going to fit in the new early learning model, whatever that turns out to be; how we're going to ensure that we do a good job on the early identification side—I'm pretty sure that Mr. Pascal will be recommending that we do something better in that regard; and how we share the results more effectively between the agencies that are funded through MCYS to deliver these services and between the school districts.

It's important to recognize that MCYS funds services but doesn't deliver them; they're delivered by independent agencies. We fund boards, but of course the boards are also independent agencies. So the collaboration has to happen at the provincial level, but it also has to happen at the local level, and of course sometimes the local people are better at it than we are at the provincial level, I have to say.

Mr. Barry Finlay: If I may add to a couple of pieces—and I would ask my colleagues who are directors to speak to their own local arrangements that have been made, because they in fact have been doing this for a number of years and have some wonderful relationships with their local agencies.

Specifically, there are three areas beyond the area of autism, which, as the deputy indicated, is a significant relationship we have right now in support of children transitioning from intensive support funded through the autism intervention program into our schools. We also have a very good relationship now, the student support leadership initiative, where community clusters have been funded to identify leaders to facilitate the kinds of relationships to which you alluded in support of children. In fact, there are a number of projects on the go right now across the province. Very effectively, many of them

focus upon meeting the growing children's mental health needs that we're seeing in the province.

1440

We have always had a relationship with the Ministry of Health with respect to school health support services. We are in the middle of a process right now of reviewing those supports. As we've seen, the advancing technology certainly allows parents, and therefore potentially schools, to provide services that were not available 20 years ago when some of our policies were in place. Those are just three of the areas, but I would encourage the directors, who, in fact, have established many relationships, to respond if they can.

Ms. Gerry Connelly: One of the things we did recently is bring together a meeting of all of the folks out in the community whom we are working with. It was quite a large group, and one of the things we wanted to talk about was, how can we be more strategic in using our services so that not only is there not overlap but they're being located in all parts of the city? Those are the two areas that we're really focusing on as being more strategic and so that we can be more efficient, but also that we could be more equitable in how we use our services.

Our trustees have taken a lot of leadership in trying to bring about what they call integration of services. We're working with our health units—we have several of them, and I imagine you would too in your areas—and we're working with folks at the hospitals. For example, we have a meeting on Friday afternoon at the Hospital for Sick Children. So we have a strong commitment to working with partners, because we believe that working with the community not only helps us develop good relationships but also makes it better for our kids.

Mr. Gordon Campbell: I would suggest that one of the more intriguing projects that we've just started is working with our county office and the 32 mayors and deputy mayors in the two cities of Orillia and Barrie as a collective. Most recently, the warden visited our board offices and talked about how they are an agency to deliver service to the entire county, as we are. We've talked about what partnerships we can establish to provide greater service and easier-to-assess service for members of our community. I think that those types of relationships are the ones that will move us forward as we try to utilize resources very wisely during some difficult times.

Mr. John De Faveri: It's interesting to hear what's happening in Simcoe. About four months ago in Thunder Bay, we had our very first gathering. We don't even know what we're calling ourselves yet, but it is elected city officials together with the three boards that service the city of Thunder Bay. What we're trying to recognize is that we have an opportunity to maximize on each other's strengths in terms of the facilities and services that we're able to provide. We met the last time probably about three weeks ago and decided on a mandate for us that's actually going to look at a much more transparent, much more amalgamated ability to provide service to our students but also to the rest of the residents of Thunder Bay.

Barry referenced the student support leadership initiative. It's true in a variety of places in the province, but probably more so predominantly in northwestern Ontario—if you look at the latest census data, we've had a rise of 26% in our aboriginal population. So one of the things that we are really working hard at is to engage our aboriginal First Nation community. We are one of the locations, together with our coterminous board, to engage Dilico child and family services, who are a service provider primarily for students who are identified as First Nation. We're in the process of developing some incredible resources that we will be able to roll out so that all of the partners that are involved in that project are going to be able to benefit, to learn from one another and to actually start to look at some differentiation of what it is that we really need to provide based on what we know of the demographics of our own population.

As I mentioned, we are one of the sites in the province who run a collaborative services model. I'm proud to say that we've actually been acknowledged as a leader in the province, in particular because of the work with the consultant that we have working on that. There's just some phenomenal growth that's happening, and before long we'll be asked to present in a couple of other venues to share our successes. So I'm extremely proud of our board for that.

Mrs. Maria Van Bommel: Thank you. My colleague Mrs. Sandals wants to add, and so does—

Interjection.

The Vice-Chair (Mr. Jerry J. Ouellette): Mrs. Albanese?

Mrs. Laura Albanese: Thank you. I have a couple of clarifications that I wanted to ask. In the response to the Auditor General's recommendation, the ministry says that it "would like all students receiving special education programs and services to have an individual education plan ... after an appropriate period of assessment." How long is that? What is appropriate? We've talked about wait times, but we have not indicated what "appropriate"—

Mr. Ben Levin: It's not so much a matter of wait times; it's a matter of students' situations varying.

Mr. Barry Finlay: Exactly; yes. So our concerns, as I expressed earlier, I believe, were that, although we want all children to have IEPs, we don't wish people to rush to judgment with respect to identification of needs.

A fundamental tenet of special education is that it is individual. Whenever we look at any kind of expectation that, in fact, is universal, we will miss some children. This provides some balance with respect to doing appropriate responses to intervention techniques—teaching strategies and assessing whether they're effective or not before you move to an IEP, if in fact that isn't necessary.

Ultimately, though, our goal, generally, in discussions with the boards, will be around grade 3 or grade 4 if we've had the child in the system for the entire period of time. Of course, there are huge transitions in the province, and kids move all over. They move from board to

board, and therefore we need to build in some flexibility for that, but that's what that statement means.

Mr. Ben Levin: Can I just say on that, to come back to something I said at the beginning about the variability in what parental desires and expectations are, that we have a group of parents—and we heard about some of them today—who feel that their children have needs that are not being acknowledged and addressed, and they are pushing hard to have an earlier, faster identification. We have another group of parents who are exactly the opposite, where the school feels there is an issue and wants an identification and the parents absolutely refuse to do it. It's a complicated matter. We do not want to be forcing parents into going through an identification process, as Ms. Connelly said, where they're very resistant to it. On the other hand, we have concerns that in the other case, the opposite may be the case. It's just very difficult to give a general, applicable-to-all answer on these issues, because the disabilities differ greatly, the special needs differ greatly and the parental attitudes differ greatly, and all those need to be respected.

Mrs. Laura Albanese: Going to Ms. Connelly: You were mentioning that many kids whose first language is not English belong to certain communities that are concerned with streaming. ESL is not part of special education—

Mr. Ben Levin: Right.

Mrs. Laura Albanese: I was one of those kids. I have certainly heard about preoccupations with streaming, especially in years past. Could you clarify where we stand today, in your view?

Ms. Gerry Connelly: Can I give you a very specific example? I know the community won't mind, because I've been working very hard with the Portuguese community over the years. They had tremendous angst about the fact that we were not serving their kids well. We were disproportionately putting them into special education. They argued that the issue really was language. We looked at research with Jim Cummins from OISE, for example. We've looked at the data, and the kids were not as successful. We collect data on the basis of race and ethnicity in our board, so we know which are low-performing groups, and they are correct.

I think it's also important that high parent confidence and trust in us is an important measure of success. Over the years, I have found, in our regular meetings with them, that there's much more of an understanding. We work with them, because we do not identify if they ask us

not to, but we do IEPs and we do look at individualized support. We're finding, in working very closely with the parents—not only with individual parents, but with the organization of parents, the Portuguese group and the Hispanic group, for example, and Tamils and Somalis. I don't mean to generalize, but basically they come as a group and talk about the fact that they feel it's inappropriate to put their students through an IPRC, but they do want their kids to succeed. Every parent wants their child to succeed, and they see it as streaming and inappropriate. We have to be very sensitive to that. We have to acknowledge, and that's why we look at the first few years: "Is it a language issue or is it a burning challenge?" We try to work really closely with the parents, and we've learned such a lot from listening to the parents about what we should and shouldn't do, and I think that's really important.

The Vice-Chair (Mr. Jerry J. Ouellette): With that, that concludes the hearings at this particular time.

Just before we conclude, I'd like to thank you for your presentations.

I would ask committee members if they could stay around just so that we can discuss how we intend to proceed with report writing and with anything else that'll take place with this particular issue.

Before closing, I would give the Auditor General, Jim, an opportunity to respond.

Mr. Jim McCarter: I just want to put on the record to express our appreciation. We really did get good co-operation. *[Inaudible]* call from the auditor saying, "We're coming in to do some work," but they were receptive and I think they felt that the area of special education was challenging and it was a good area for us to look at. To the three directors, I would say: We really did have excellent co-operation at the schools that we went to. They almost welcomed us and said, "Come on in. We'd like to show you what we're doing. We know we're not perfect." But I would like to pass along our thanks.

The Vice-Chair (Mr. Jerry J. Ouellette): Thank you, Auditor. For those attending, thank you for showing your interest in attending today. Anybody wishing to find out the end results of the recommendations of this committee can find them on www.ontla.on.ca under "committee reports."

This concludes this committee until 9:30 of the clock on April 22.

The committee continued in closed session at 1454.

CONTENTS

Wednesday 8 April 2009

2008 Annual Report, Auditor General: Section 3.14, special education	P-315
Ministry of Education	P-315
Mr. Ben Levin, Deputy Minister	
Mr. Barry Finlay, director, special education policy and programs branch	
Toronto District School Board	
Ms. Gerry Connelly, director of education	
Simcoe County District School Board	
Mr. Gordon Campbell, director of education	
Thunder Bay Catholic District School Board	
Mr. John De Faveri, director of education	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Ernie Hardeman (Oxford PC)

Ms. Andrea Horwath (Hamilton Centre / Hamilton-Centre ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Jean-Marc Lalonde (Glengarry–Prescott–Russell L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Mrs. Carol Mitchell (Huron–Bruce L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

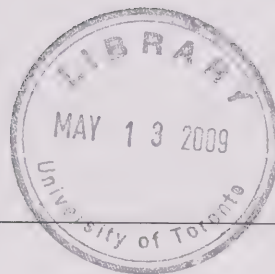
Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

CA20N
X421
-P72



P-19

P-19

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 29 April 2009

Journal des débats (Hansard)

Mercredi 29 avril 2009

Standing Committee on Public Accounts

2008 Annual Report,
Auditor General:
Ministry of Children
and Youth Services

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :
Ministère des Services à l'enfance
et à la jeunesse

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

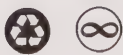
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 29 April 2009

Mercredi 29 avril 2009

The committee met at 1230 in committee room 1, following a closed session.

The Acting Chair (Mr. Ernie Hardeman): We'll call this meeting of the public accounts committee to order. I'm Ernie Hardeman, and I'm sitting in for the Chair, Norm Sterling, who was called away for a funeral this afternoon, so he couldn't be here. We will try and get this done in an orderly fashion so I won't have to go on the carpet for too long when Norm returns. But we do want to thank everyone who's here for coming in this afternoon.

APPOINTMENT OF SUBCOMMITTEE

The Acting Chair (Mr. Ernie Hardeman): We do have one item of business that we need to clear up for the committee. I believe, Mr. Zimmer, you have a motion to put on the floor.

Mr. David Zimmer: Yes, thank you, Mr. Chair. I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Mrs. Sandals, Mr. Hardeman and Madame Gélinas; and that substitution be permitted on the subcommittee.

The Acting Chair (Mr. Ernie Hardeman): Thank you very much. For the members of the committee, this motion is required because we've had a change in the membership of the committee, so the former committee no longer exists here.

Is there any debate on the motion? If not, all those in favour? All those opposed? The motion's carried. That concludes that part of the meeting.

2008 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF CHILDREN
AND YOUTH SERVICES

Consideration of section 3.04, child and youth mental health agencies.

The Acting Chair (Mr. Ernie Hardeman): We are here this afternoon for consideration of section 3.04 of the 2008 annual report of the Auditor General, child and youth mental health agencies. We have the Auditor General and his staff here to hear the presentation, but what we really want to hear is the presentation from the people who have joined us. We have Judith Wright, the deputy minister for the ministry. We also have five providers of the services: from the Hincks-Dellcrest Centre, John Spekkens; from Kinark Child and Family Services, Peter Moore; from the Associated Youth Services of Peel, Kelly Henderson; and we have Children's Mental Health Ontario, Gordon Floyd. We welcome you all.

I do believe, Deputy, that—

Interjection.

The Acting Chair (Mr. Ernie Hardeman): Did I miss one? Oh, my gosh. My apologies. The Youth Services Bureau of Ottawa—Alex Munter. Welcome, Alex. I have a habit of never saying "Last but not least," because there's always the question, "If that person isn't least, then who is?" So we won't do that, but we do thank you all for being here.

There are a number of other people here, I believe, that the deputy, as required, will call forward, and hopefully at that point will introduce them for the Hansard services.

With that, we'll start the meeting. Madam Deputy, if you would like to make a presentation.

Ms. Judith Wright: Thank you, Chair and members of the committee. I am pleased to be here on behalf of the Minister of Children and Youth Services. I want to thank the committee for providing us with this opportunity to talk about services for children and youth who have mental health issues. I am particularly pleased to be here with the representatives of the agencies that do work so hard to actually provide these services for children and youth.

I'd also like to, once again, thank the auditor for his report. We consistently welcome his advice on how all of the programs at children and youth can be improved, but in particular, his advice on child and youth mental health services.

Today, what I'd like to do very briefly, because I recognize you want an opportunity to speak to all of the members, is to update you on a number of the issues which have been highlighted by the Auditor General in his report. To contribute to today's discussion, I have

with me three senior members of the ministry whom I would like to introduce. To my immediate right is Alex Bezzina, who is the assistant deputy minister for the program management division, which is the division accountable for the transfer payment to the agencies. Beside him is Aryeh Gitterman, who is the assistant deputy minister for the policy development and program design division, which is responsible for the policy framework for child and youth mental health. And sitting behind me is Jeff Wright, whom I think you know from previous visits to this committee, and who is the director of the outcome and measures branch. He is responsible for performance measurements.

To begin my presentation, I'd like to discuss the ministry's activities related to the child and youth mental health framework. As you are aware, in November 2006, the minister released *A Shared Responsibility: Ontario's Policy Framework for Child and Youth Mental Health*. As we have discussed previously at this committee, the creation of the framework recognized the need by all partners for a consistent, province-wide approach for defining and measuring mental health services for children and youth in the province.

It was recognized at that time that the child and youth mental health sector had evolved over time in response to each community's own needs. While this local community response has strengths, the result was a service system characterized by differential growth across the province. As such, the system had evolved to the point where an opportunity existed for a collaborative, strategic approach, one that would allow community agencies to benefit from shared expertise and resources. It was within this context that the framework was developed.

As you are aware, the framework has four core goals: a collaborative child and youth mental health sector, timely access to a flexible continuum of programs, provision of quality and effective services for all levels of need, and a sector that is accountable and well managed.

At our previous appearance before the committee, we indicated that the next step in implementing the framework would be for the ministry and the sector to conduct a large-scale mapping exercise which would examine current services against this policy framework. The mapping exercise was undertaken so that both the ministry and the service agencies would have a clear and comprehensive picture as to what types of programs and services are available, who's receiving them and where they are available.

This exercise, which was begun in the summer of 2008, has been a significant undertaking. I would like, first and foremost, to thank all of the over 370 agencies who participated in this exercise and who really took time away from their very busy schedules to enable us to successfully complete it.

1240

The exercise involved a point-in-time mapping of a continuum of services and supports based on the policy framework, against 12 mental health functions, for over 370 agencies across the province. Over 1,500 survey

tools were received. Over time, this information, which we're beginning to analyze, will allow the sector and the ministry to demonstrate that investments are used effectively, to match service delivery to outcomes and to build an evidence base that will support strategic investments.

In addition to the work that the agencies have completed for the mapping exercise, both the Ministry of Education and the Ministry of Health and Long-Term Care have provided data on child and youth mental health services that they deliver.

As I said, we're currently analyzing the information and will, over the next couple of months, be engaging with service providers, regionally and locally, on what the information is that's been collected. The purpose of these sessions will be to develop a shared understanding of what the data can and cannot tell us about the children and youth mental health sector as it has evolved over the last 30 years.

Mapping of programs and services is one key component of a larger set of activities the ministry is undertaking to develop better data and information. Parallel to the mapping exercise, we're implementing a child and youth mental health data and information strategy that will guide the collection, analysis and use of a variety of information. The purpose of developing this strategy is to support effective and coherent policy, program and resource decisions for all of us in the sector. The strategy includes, for example, collaboration with the Mental Health Commission of Canada to conduct an updated prevalence study on mental health issues experienced by children and youth in Ontario.

We are also undertaking a review of intake and assessment tools used by other jurisdictions to assess whether the ones we use in Ontario, BCFPI and CAFAS, can be improved. As you are aware from previous conversations, the ministry currently funds and supports the use of these two evidence-based intake and assessment tools; that is, the brief child and family phone interview, known as BCFPI, and the child and youth functional assessment scale, or CAFAS.

BCFPI is an intake tool used by licensed agencies to collect data on current wait times, clients and presenting problems. This information is aggregated at the agency, regional and provincial level to support planning decisions. CAFAS, on the other hand, is an assessment tool used by clinicians to assess the degree of an individual's functional impairment, and therefore assists in the development of a treatment plan and the monitoring of the client's progress during treatment. CAFAS data is also aggregated at the agency, regional and provincial level.

Agencies licensed to use BCFPI and CAFAS are able to compare their own service data and outcomes with other service providers in their region. The ability of agencies to compare their client and outcome data locally or across the province is a key factor in support of informed practice.

While both tools are supported by research and are considered evidence-based themselves, we are undertaking this review with the goal of improving data

quality, usefulness and timeliness for both agencies and the ministries. The outcome of this review will include developing options for increase in use and usability of evidence-based tools and standardized processes across the province.

In addition, the ministry is working with other ministries through the Institute for Clinical Evaluative Sciences—or ICES, as it's more colloquially known—to bring together anonymized data from a number of health and social service databases. Bringing these databases together will enable us to do better research and trends analysis and to identify policy issues.

In this context, I'd like to also talk about wait time information, which the Auditor General has highlighted in his report. I think it's fair to say everyone is committed to identifying opportunities to reduce wait times and to providing appropriate services for children and youth. In line with the auditor's recommendations, service agencies do work with the ministry and collect wait time information through BCFPI, as I mentioned. As previously mentioned as well, this information is used by agencies and local communities to inform service planning with the shared goal of reducing wait times and improving service coordination for children and youth who are waiting for services.

The review that we're undertaking of BCFPI and CAFAS will provide further direction on how we can continue to improve and use this wait time data. In addition, the information acquired through mapping will play a key role as we develop a better understanding of regionally specific wait times.

Finally, as committee members know, collaboration across service sectors is a key to better-coordinated services for children and youth experiencing mental health problems. We work collaboratively with the Ministry of Health and Long-Term Care and the Ministry of Community and Social Services, among others.

Today, I'd like to speak to one example of collaboration, and that's with the Ministry of Education. We know that success in school is the number one indicator of success later in life. Because of this, the Ministry of Children and Youth Services has made the goal of every young person graduating from secondary school as one of our five strategic goals. In light of this, we've also begun a number of initiatives.

The one example I'd like to highlight today is the student support leadership project, a collaborative project between schools, school boards and child and youth mental health providers. This is a joint Ministry of Children and Youth Services and Ministry of Education initiative. It was developed in recognition of the fact that service providers were establishing working relationships with principals and teachers on an individual school basis, but there were often challenges in scaling those up to a board level or a system-wide approach.

Through the student support leadership initiative, the ministries are supporting designated clusters of school boards and child and youth mental health agencies to work together. For each cluster, a mental health agency

lead has been identified to facilitate the coordination of service delivery. Enhanced partnerships and service delivery linkages will better meet the needs of students and families through increased collaboration, coordination and referrals.

While contributing to the ministry's strategic goals, this initiative also aligns with our mental health policy framework, A Shared Responsibility, in its aim to foster collaboration among all child- and youth-serving sectors.

I would like to conclude this presentation by once again recognizing the many, many dedicated individuals who work hard every day in not only the four agencies present today, but across the province. Their hard work to support children and youth with mental health needs is resulting in a stronger and more integrated system of child and youth mental health services. We'll continue to work with our many partners to build an Ontario in which child and youth mental health is recognized as a key determinant of overall health and well-being. Thank you.

The Acting Chair (Mr. Ernie Hardeman): Thank you very much for the presentation. I understand that the executive directors of each one of the organizations would like to make an opening statement?

Mr. Gordon Floyd: We had not planned to make any significant opening statement. In our response to the Auditor General's report, we did note that we were very pleased with the report and with the approach that the Auditor General and his staff took in looking at the operations of these agencies.

As you may have noted in his report, this audit happened in part because we asked for it, which is a little bit unusual. Not many people invite the Auditor General in, but in our sector—

The Acting Chair (Mr. Ernie Hardeman): I can understand that.

Interjection: I said this morning I thought it was a first, actually.

Mr. Gordon Floyd: There you are. But in our sector we truly are very committed to showing value for money. We really do appreciate the findings in the report that show where there are opportunities to tighten up in some policy areas and in some administrative areas. We've been working not only within these four agencies, but across the bulk of the children's mental health community-based sector to ensure that those recommendations are being implemented and taken seriously.

We were pleased that the Auditor General provided some good advice and somewhat relieved that there weren't any burning houses found in the audit process. The findings, I think, spoke very well to the way in which agencies are being managed. Although there were a number of significant and important findings, there was nothing that was seriously embarrassing or seriously offside.

What we were most struck about and perhaps happiest to see was the Auditor General's conclusions and findings in terms of the constraints on capacity in this sector. In the summary to the report, the Auditor General refers

to the reality that agencies in this sector have been so constrained in their funding over the last several years—the last decade or more—that they truly have had, to use his phrase, “to rob Peter to pay Paul” in order to ensure that children who need mental health services are able to get them as fast as possible.

1250

We know that there are unacceptably long wait times and unacceptably long wait lists in this sector. That's a reality that these agencies have been dealing with for 12 to 15 years, during a period when the funding increases have simply not been keeping up with growth in demand; they've not been keeping up with the growth in inflation and in costs.

What agencies have been doing during this period is really quite radical surgery in many parts of the province. There's one agency before you that is the result of a merger. There are other agencies here who have led the way in developing collaborative services to support the work of their partners and their neighbours in the children's mental health field. Across the board, agencies have been changing the way in which they deliver service; as an example, moving from individual counselling to group counselling as a way to shorten and manage wait lists.

In this sector, I think it's fair to say that agencies are, as the Auditor General put it, really working in a very, very difficult environment. They're stretching their resources to try not only to meet today's needs but to work with the ministry on some of the goals that the deputy described a few minutes ago. There's a real commitment in this sector to move much more to a system that uses evidence-based practices, for instance, but we recognize that the introduction of evidence-based practices is a complicated and intensive process that requires staff time that simply isn't available at the moment.

When the Auditor General, in his report, refers to the desirability or the best practice of analyzing some of the CAFAS and the BCFPI data on an agency basis, we agree entirely, but we know that the resources don't exist in the system currently to make that happen.

In his report, the Auditor General spoke a few times about the reality that children's mental health services, unlike, for instance, child welfare services or youth justice services, are not mandated, and there is no legislated mandate for these services. The practical effect of that is that these services are funded according to the amount of money that's available, rather than to the level of need. I think the ministry acknowledges that. We know that the ministry has been working hard internally to try to increase the resources that are available for children's mental health. We've certainly been working hard from the outside to do that, but bottom line, this is a system that is falling far, far short of meeting the growing demand for services in today's Ontario, and every year things are falling farther and farther behind.

One way we measure that is we see, in our agencies, that each year the cut-off point for getting admitted to service is higher than it was the year before. In other

words, our agencies are dealing on a year-to-year basis with kids who are further and further into the deep end, and there are essentially no resources in the system that are available to be dedicated to the prevention work or the early intervention work that would allow us to get ahead of some of the crisis work that really occupies most of the activity in children's mental health centres.

These are things that the Auditor General wrote about in his report. As I say, we were very happy to see them there and are delighted to have this opportunity to discuss those with members of the committee, and other things that you want us to discuss, so thank you.

The Acting Chair (Mr. Ernie Hardeman): Thank you very much. We have—

Mr. Gordon Floyd: Do people know who is which agency here? Is this clear? We have—

Interjection.

Mr. Gordon Floyd: Okay. Do you want to describe your agencies?

Mr. John Spekkens: My name is John Spekkens. I'm the president and CEO at the Hincks-Dellcrest Centre. I have with me as well Dr. Carole Sinclair, who is sitting right behind me. Carole is the head of our treatment services. I'll probably take one minute or so—that's what we're all planning to do—just to position our agency and give you an idea of size and the scope of our services.

Our budget at the Hincks-Dellcrest Centre is a total of \$16.5 million, of which approximately \$11.5 million comes from the children's mental health services. We also have funding from Youth Justice Ontario, United Way, the federal government, and the city, and many of those are grants and projects.

Our staffing numbers approximately 240. Our catchment area is—really, we don't define catchment areas very strictly. Basically, we serve Metro Toronto, and in the programs where transportation to the program is essential, we typically will serve the downtown area and what used to be known as the North York area. So that's where we have our two major offices.

As Gordon referred to, we are an amalgamated agency, but nine years ago two of us, Hincks and Dellcrest, joined, took the hyphenated name, and we've been able to coordinate our services much better. We also saved a fair bit of money on overhead from when we were two separate agencies.

We provide treatment services. We provide prevention services, and the treatment services come in the outpatient service and in our residential programs. Again, any of this we can elaborate on if needed.

We also have something that we're very proud of. We have an affiliation with the University of Toronto. We are one of their main community-based training settings for both psychiatry—we have about five psychiatry residents coming through. We have interns in psychology. We have about eight or 10 social work placements at the masters level.

The reason I say we're proud of that—in our sector, like so many other sectors, there's a wave of retirements coming in the next five years, and somebody has to train

the next generation of professionals. This is done mostly in our outpatient department because most of the professionals will be working in outpatient-type departments in community settings.

One of our biggest difficulties is the threat that our outpatient department is shrinking every year because of the cutbacks that we have to make in our staff because of the funding issue. That's why, by the way, as an aside, I'm very happy, as Gordon mentioned, that the auditor spoke both of the specifics in the centres but also the big-picture issues of funding for the system.

What we're most pleased about is that we're able to provide service in prevention for approximately 3,000 families per year and in treatment services of all the types—about 1,500 per year, and we do the training. What causes us the biggest distress is both the waiting lists and the cutbacks in service that happen gradually every year.

I'll end my comments at that. Thank you.

The Acting Chair (Mr. Ernie Hardeman): Thank you very much.

Mr. Alex Munter: Thank you very much, Mr. Chair. My name is Alex Munter. I'm the executive director of the Youth Services Bureau of Ottawa, which is a multi-service agency that's existed in our community since 1960. It operates at 20 sites across the city of Ottawa and serves at-risk youth ages 12 and over.

We have four service areas: our youth justice program, our mental health program, housing and community services, and employment. So for us, mental health is a program that fits on the org chart, but it is also the lived reality of our clients across all of our programs. Whether it is the youth we see in our emergency housing shelters or the custody facilities for young offenders that we operate in our youth engagement program, for us, addressing mental health issues and giving young people the tools to succeed in dealing with their obstacles is core to the mandate and mission of the organization.

1300

In terms of the mental health services, specifically, that were the subject of this report, we have 10 distinct programs in our mental health service, the majority of which—and certainly the largest and most significant ones—are funded by the Ministry of Children and Youth Services' program division, in particular our long-term youth and family counselling program; our crisis intervention and support, which is actually three connected programs; a 24-hour crisis line that's backed up by a mobile team—it's not 24 hours, but it's most of the hours of the day; and a short-stay crisis residence. We also offer intensive counselling support and a number of school-based programs.

The MCYS program division also supports some of the programming in our emergency shelters. We have a 30-bed emergency shelter for young men and a 30-bed emergency shelter for young women, and the funding that is provided by MCYS allows us to make sure that that's not just a dorm, that's not just a safe place to sleep, but that it is also a place where there is counselling

support and there are services available to help young people get back on track.

Further to John's comment—and I think we all here share that in common—the core ethic of all of our programs is prevention, even our programs in the justice system. What we work to do is to prevent street-involved youth from becoming homeless adults, prevent young offenders from becoming adult offenders, and prevent entire lives being shaped by a struggle with mental illness through identification, intervention and support.

We are proud of the impact that we make. I'm new—I'm the rookie here; I've been doing this less than two years in this organization—and for me, it is always inspiring to go into our programs and see the work that is being done. I think what we all share in common is the desire to have a greater impact, learn more, do more, have better tools and have more resources to be able to support the young people in our community.

The Acting Chair (Mr. Ernie Hardeman): Thank you.

Mr. Peter Moore: Good afternoon. My name is Peter Moore. I'm the executive director of Kinark Child and Family Services. We're a multi-service agency that serves Simcoe county, York region, Durham region and the Four County area to the east. Our budget is about \$65 million and we have 800 staff. Of that, \$25 million is for children's mental health, with about 300 staff providing service.

As Alex and John have mentioned, we have multiple services, ranging from early intervention to dealing with the most difficult to serve children and youth. I should mention I've brought Dr. Dick Meen with me. He's our clinical director. He's a psychiatrist who joined us about 10 years ago.

We operate the secure treatment setting in Syl Apps Youth Centre, which deals with the, I think, most significantly disturbed youth in Ontario, and we also provide a range of prevention programs. A couple of weeks ago, we co-hosted the international Triple P convention, which is an evidence-based program, a population-based program, for effective parenting. We were happy that the founder of Triple P, Dr. Matt Sanders, visited the ministry policy people and talked to them about the benefits of a population-based approach to positive parenting in terms of the impact it would have on children's mental health.

I share the issues that my colleagues have mentioned in terms of struggling with waiting lists and collaborating with other sectors to find solutions. We have embarked on a clinical transformation process, implementing evidence-based programs which have had some impact in terms of clear evidence of effectiveness, and it has also helped us reduce waiting lists, but it's an ongoing struggle. Thank you.

Ms. Kelly Henderson: Good afternoon. I'm Kelly Henderson, the executive director of Associated Youth Services of Peel.

Associated Youth Services was incorporated in 1986, and we began as an organization funded to support the

youth justice system. Our services grew to support young people involved in child welfare, and since the mid-1990s we've been delivering children's mental health services in the homes of our clients and in the community. Our services range from early intervention to intensive support for our most needy clients.

We receive funding from the Ministry of Children and Youth Services, children's services and youth justice branch; the Ministry of the Attorney General; the Ministry of Community Safety and Correctional Services; the United Way; Trillium and the local children's aid society. Currently, our operating budget is \$6.4 million, with \$3.9 million funded through MCYS for children's mental health services. Our staff numbers 93, with approximately 46 being related to the children's mental health services. Our volunteers number approximately 150.

In 2008-09, AYSP supported over 5,900 clients, young people and their families. A total of approximately 800 were supported through children's mental health programs directly funded by the ministry.

Since the Auditor General's visit, we've been working to incorporate the recommendations and further refine our operating practices. To that end, AYSP has now joined Children's Mental Health Ontario. We see this as a further opportunity to increase our agency's accountability and also, as my colleagues have noted, contribute to the work of the provincial association.

The Acting Chair (Mr. Ernie Hardeman): Thank you very much. We want to thank you all for the presentations and particularly for being the first in history to ask the auditor to come in because he was getting to feel like he wasn't wanted. I notice today that he's feeling much better.

I do want to point out that the audit, of course, is a value-for-money audit, and the committee is very interested in dealing with the items in the report where the auditor talks about what can be done better to provide a higher quality or more efficient service to what's presently being provided. The number one goal of the audit is not—though the auditor did mention the lack of total funding in his report, that is not the main focus of the public accounts committee. It's to make sure that the public is getting full value for the money that's being presented. That's why I much appreciated the comments from the individual organizations to point out how their money is being spent, even though there's not enough of it.

I also want to suggest that, as we discuss writing the report, the fact that more needs to be done can very well be a part of that discussion, but the report will not be a total report to say that everything is working fine in children's mental health except they need more money. At least, if past example is an experience, that will not be what the public accounts report says, but we do appreciate the issues brought forward by the auditor and what the presenters have presented to us this morning.

We will now go around and give everyone in the committee an opportunity to ask questions and to get straight in their mind the relationship between the presentations

and the auditor's report and hopefully to assist us all in coming up with recommendations to make the system work better for the people of the province. We'll start the questions with Mr. Hampton from the New Democratic Party.

Mr. Howard Hampton: How much time do I have, Chair?

The Acting Chair (Mr. Ernie Hardeman): We usually have 15 or 20 minutes in the rotation, and we keep going until the questions are done or until 3 o'clock, whichever arrives first.

Mr. Howard Hampton: First of all, I want to thank everyone who's here today. I'm going to ask that you give me some latitude, Chair, in terms of some of the questions I want to ask because there's a lot of information that's been presented here, and I'd like to delve into some of it.

I guess I want to ask the deputy minister, first of all, about Jordan's Principle; you're aware of Jordan's Principle?

Ms. Judith Wright: Yes.

Mr. Howard Hampton: Could you tell us what it means?

Ms. Judith Wright: Perhaps I could ask Aryeh, who is working closer with health on this than I am in terms of the effect it's going to have on aboriginal communities. If you don't mind, I'll hand that question to him. I am aware of it, but he's been actually working with MOHLTC on it.

Mr. Aryeh Gitterman: Essentially Jordan's Principle arose out of a tragic circumstance in Manitoba where a child with very specialized health needs was not able to return to his home because of some differences of opinion between the federal and provincial governments as to who was accountable for the costs associated with that. Subsequent to that event, there was an effort across Canada, including in Ontario, to agree that such circumstances wouldn't ever again prevent a child from getting services that he or she needs, regardless of who in the end should be providing or paying for those services. I believe all governments across Canada, and certainly Ontario, have agreed to Jordan's Principle, and I think just recently there was a public commitment from the government.

1310

Mr. Howard Hampton: One of the things I find revealing is the auditor has given us a list of the number of transfer agencies that receive funding from the Ministry of Children and Youth Services. It's included as sort of an appendage to this document.

Mr. Jim McCarter: It's actually provided by legislative research.

Mr. Howard Hampton: Okay, legislative research. I recognize that a family and children's service organization—so you could have a family and children's service organization that doesn't do children's mental health; it does child protection, apprehension and child welfare. What I'm struck by here is—I'll use my own part of the province as an example. Two things jump out:

If I look at the Kenora-Patricia Child and Family Services, they get a budget of about \$12.7 million.

Ms. Judith Wright: What page is that, sir?

Mr. Howard Hampton: That's page 62, \$12.78 million a year in transfer. Now, as I understand it, that is a child welfare agency. If I flip over the page, and correct me if I'm wrong on something, and I look at the Patricia Centre for Children and Youth, which, as I understand it, is the corresponding children's mental health agency—am I correct in that?—the same geographic area, more or less, it's \$1.4 million.

I'm having a hard time understanding how we could put so much money into child welfare and in the same geographic area, not much money, relatively speaking, into children's mental health. Am I missing something?

Ms. Judith Wright: Two points I think would be important to raise on this: One is to recognize that those two agencies would likely, in some cases, share similar clients and actually coordinate their services together. In some cases, there may be a family—I'll use this as an example—who is in need of assistance who would be helped by both a child welfare agency that would help with the family in those circumstances, and also may refer that family to service. That's one point.

The second point, actually, is relevant to the point that Gordon Floyd made at the beginning, which is that child welfare is a mandated service and children's mental health is not a mandated service. As you're aware, we work around the envelope that we've been given. I would imagine as well—Alex can correct me on this—that the geographical area and the scope of the child welfare agency is probably larger than the children's mental health agency, but I don't know this level of detail on these agencies.

I don't know, Alex, if you would like to add anything.

Mr. Alex Bezzina: I'll just say a few things, and thank you for the opportunity. I can't speak off the top of my head, but I would be happy to bring information back to the committee as to whether or not the mental health agency to which you refer is the only agency that receives children and youth mental health funding in your specific community.

The other thing I will say is that it is a little bit difficult to compare the child welfare budgets to the children and youth mental health budget. When a child is apprehended and brought into service, that agency is responsible for the total care of a child. Many of these children in child welfare don't only have care, boarding and supervision needs, but they have multiple service needs. The costs of caring for kids are quite high in the child welfare system, so it's a little bit of comparing different types of service interventions and it's difficult to draw conclusions, as a result.

Mr. Howard Hampton: Okay. That's part of the reason why we ask questions.

I want to draw your attention to page 67, Tikinagan Child and Family Services. So Tikinagan is the child and family service agency. It has the mandate, I believe, to work with children in the northern First Nations. Basically those First Nations—

Ms. Judith Wright: In the fly-in communities.

Mr. Howard Hampton: That's right. Those communities, for the most part, are members of the Nishnawbe Aski Nation. I know that some of the child and family service agencies are integrated. They do child welfare; they also do children's mental health. Is this an integrated agency? They do both? Okay. How is their funding allocated?

Mr. Alex Bezzina: We've allocated it in two different ways. For the child welfare mandate there is a specific funding formula that is used to apportion the child welfare dollars and it is volume-sensitive. With Tikinagan, though, even on the child welfare side, they have been able to demonstrate historically that they have larger base costs, mostly because of the costs of attracting professionals up to the north and secondly with respect to the—

Mr. Howard Hampton: Travel.

Mr. Alex Bezzina: Travel. There are also higher costs associated with caring for children when they're brought into care—costs of groceries etc. So Tikinagan, as well as a number of other child welfare agencies in Ontario, has been able to demonstrate to us that their unit costs—not just their volume, but their unit costs—are different. So the child welfare—

Mr. Howard Hampton: Let me be more specific. Of that \$39.7 million, can you break down how much would go towards child welfare or how much is, by a formula, allocated for child welfare and how much is allocated for children's mental health?

Mr. Alex Bezzina: Off the top of my head, I can't do that. I apologize.

Ms. Judith Wright: We can get back to you with those numbers. We'd need to look at the budgets. We weren't prepared to talk about that.

Mr. Howard Hampton: And I appreciate your help on this because this is a number I'd like very much to know.

I also know that there are a number of First Nations that are in that First Nations grouping that receive individual funding. For example, if I can draw your attention to Kasabonika Lake First Nation. Kasabonika Lake is on page 62, about a third of the way up the page. It doesn't get a lot of money: \$157,000. I realize these are raw transfer numbers. Why would an individual First Nation be funded? Would that be for a child care centre or something like that?

Mr. Alex Bezzina: In part, it has to do with the funding that is provided directly to First Nations for a prevention worker. So most First Nations in Ontario either have a prevention worker funded directly—

Mr. Howard Hampton: How do you define a prevention worker?

Mr. Alex Bezzina: The child is not in need of protection, but they work with families that are struggling with various types of issues and either connect them to the types of services they require or, using traditional methods, work with the community to—

Mr. Howard Hampton: So is this child welfare money or children's mental health money?

Mr. Alex Bezzina: Native services on-reserve is a line under children's mental health money.

Ms. Judith Wright: And some of this money, sir, would be historical, if I can put it that way. They would have been relations that we would have entered into, probably before the ministry was created, with some of these First Nations. The most current project that we're working on with 10 of the NAN First Nations actually is in negotiations with NAN as a representative of those First Nations. I don't know if that's where you're going, but—

Mr. Howard Hampton: This is helpful because I think what you're saying is that—correct me, I don't want to put words in your mouth—some of this funding is historical. It may not necessarily be according to a needs-based formula. It's just the service was there—

Ms. Judith Wright: And we will continue to fund it because we believe the need is still there. As you know from those communities, they're very high-need communities.

Mr. Howard Hampton: Which raises the next question: Are you familiar with Pikangikum First Nation?

Ms. Judith Wright: Yes. I've actually visited Pikangikum.

Mr. Howard Hampton: And you probably know that it's not unusual that you might see three, four, five, six youth suicides a month in Pikangikum.

Ms. Judith Wright: Correct.

Mr. Howard Hampton: It's probably one of the highest-needs communities in Ontario.

1320

Ms. Judith Wright: Absolutely.

Mr. Howard Hampton: And I've searched throughout this to see if Pikangikum has any of this funding.

Ms. Judith Wright: If I may speak to that, and actually Alex may speak to it in more detail, we are just finalizing a set of negotiations with the chiefs and elders of Pikangikum, with support of NAN, to provide them with around \$700,000 in funding to help put in place programs for their youth, specifically around enhancing resilience and preventing suicides. We haven't got to signatures yet but we're almost there.

Mr. Alex Bezzina: We were in fact ready to sign last summer, but as you may know, there was a changeover in chiefs. We've been working with the community and with NAN. We work very closely with NAN on some of these issues because we also need their support to make sure that we're not doing something that either duplicates what NAN is already doing or is counterproductive.

Mr. Howard Hampton: Which raises the next question. NAN is essentially a political organization. NAN is not a service organization. It's essentially a political organization.

Mr. Alex Bezzina: NAN has a service arm. We work closely with Deputy Grand Chief Roseanne Archibald, who has been working with us on a number of different fronts around the issues of youth resiliency.

Mr. Howard Hampton: How do you decide when an organization is a service organization or when it's a political organization? What are the criteria?

Ms. Judith Wright: We are working with an organization usually to fund a specific service. In the case of NAN and First Nations there is a commitment on their part to be involved in those sorts of conversations, as you would know. Alex, please.

Mr. Alex Bezzina: When it comes to working with aboriginal communities, First Nations in particular, it is very difficult, you're correct, to separate out what's a political entity from what's a service entity, because frankly speaking, all First Nations are political entities. Nevertheless—

Mr. Howard Hampton: But Tikinagan is a service organization.

Mr. Alex Bezzina: Tikinagan is different. It is not a First Nation. It is an organization—

Mr. Howard Hampton: And Weechi-it-te-win is a service. They're very clear about that.

I recognize that the funding for children's mental health—we all recognize this; you can go to any community in Ontario and find this. I guess what I'm wondering is, if the money is scarce, why is some money going to some First Nations on a historical basis where other First Nations that unfortunately too often make the headlines in North America have not been funded, and on the other hand, organizations that are primarily political organizations and not service organizations are funded? How do we make sense of this?

Mr. Alex Bezzina: First of all, just with respect to the historical nature of funding, we don't provide funding blindly. There is a requirement to meet certain service targets. There is financial accountability associated with it. If the dollars aren't used for the purposes for which the ministry contracts, the money has to be reconciled back and brought back to the ministry.

If we are, for example, contracting with Pikangikum or with any other of the First Nations, it's based on a very specific service contract that says this is what you're going to do with the money. It has to be based on the program that we fund. We can't just give money for the purposes of giving money. It has to fit in, in this particular case, to the children and youth mental health program.

With respect to NAN, one of the things that they've been working on is the whole issue of youth resiliency. That's what we're funding with NAN, a research program with respect to youth resiliency. It's a very specific program. We're not funding their political arm. We're funding this work that they're doing on behalf of a number of First Nations in the north to raise the profile of youth resiliency.

Mr. Howard Hampton: So why wouldn't you fund Weechi-it-te-win, the organization which struggles with these issues all the time and probably has more expertise than any of us in this room in wrestling with these issues, with limited budget, huge travel, and which also knows the uniqueness of different communities? Why wouldn't there simply be better funding of an organization like Weechi-it-te-win? That's its mandate.

Ms. Judith Wright: I think the proposal from NAN is not the same as the services being currently provided by

Weechi-it-te-win, so it's not that we gave money to NAN or are giving money to NAN—we haven't finished those negotiations—to do exactly what Weechi-it-te-win is doing. It's a different proposal to look at very specifically what needs to be done to enhance, across the fly-in communities/north NAN First Nations, youth resilience. What factors do we need to look at?

Mr. Howard Hampton: But this then raises the issue, if you've got multiple service agencies, how do you sort this out? I could give you the example in North Spirit Lake. North Spirit Lake made national headlines last summer as another community where youth suicides, child suicides, happened on an almost weekly basis. They're not here. They're nowhere mentioned here either.

I'm having trouble figuring out, why would you fund this organization, which is fundamentally a political organization—not to criticize NAN; they do a very effective job politically. Why would you fund them to do something in the area of children's mental health? You have another special program over here with Pikangikum, and you've got Tikanagan, which was the service agency specifically created to wrestle with these issues, always short of cash. I don't get the rationale, why you'd be a little bit into politics, a little bit into serving individual communities, and yet the service agency that is specifically created with the mandate to do this work chronically says to me, "We don't have the money to do our job."

The Acting Chair (Mr. Phil McNeely): I'm sorry; time is up. Can we go back to that later, Mr. Hampton? Ms. Sandals.

Mrs. Liz Sandals: Thank you very much. I'll help Hansard by turning this up where it's supposed to be.

I've been involved with this, I guess, in some ways as a service consumer/partner from the school board perspective for lots of years. In talking to people all around the province, certainly the perception, which I think the auditor has also commented on, is that when you look at children's mental health, because, as Mr. Hampton has alluded to, you're often dealing with programs being funded historically based on "They're funded because they're funded," you get a significant variability in the services that are provided from community to community, the level, quantity and quality of services that are provided as you move from community to community.

I wonder if we could start with talking about the mapping that the ministry has been working on. My sense is that the purpose of the mapping is that it should give you some information about what services are being provided by different agencies as a starting point in terms of figuring out some of these service distribution issues. I wonder if the ministry could give us a bit more detailed update on the data that has been collected so far. Specifically, what data have you been able to collect? And then, what plans do you have in terms of how you can take that data and start to address the service distribution issues that we see?

I think it's fascinating that when we're looking at the services that are here today, we've got Metro, we've got

a GTA-plus service, we've got Peel, we've got Ottawa, and then there are those of us in the rest of the province. If you could talk about those of us in the rest of the province, how do we address some of those issues, and is the mapping data going to be helpful there?

Ms. Judith Wright: I'll ask Aryeh to speak to this because he did the leadership work around establishing mapping, and I would also encourage the agencies who would have been involved in this to actually give their perspective on it as well.

1330

Mr. Aryeh Gitterman: Thank you. Let me first start by going backwards a little bit from the mapping. It might provide some context for the previous discussion as well.

Until 2006, when there was a release of our policy framework for children and youth mental health, there was really no statement, framework or guidance as to what we mean by "children and youth mental health." So the long-term distribution of that policy framework started a very different exercise that hadn't been accomplished in the province previously. What the policy framework did was describe and define the range of services that we would from then on describe as mental health programs and services, including quite detailed descriptions as to how those programs could be delivered. It also describes the range of children and youth needs, so we have committed, in that framework, to a statement related to a range starting from prevention all the way to very intensive intervention for severely exceptional children and youth with severe mental health difficulties.

Given the statement as to what mental health should look like in the province, we then undertook the mapping exercise, which is basically an exercise of determining, with the screen of the framework, exactly what is happening in the province. As the deputy mentioned previously, we began that exercise last summer. Essentially, what the exercise does is give us a way to describe the distribution and availability of children and youth mental health programs and services, how densely they're offered—that is, across the province as a whole, relatively speaking, are there more services here than there?—and how all of that is associated with the funding that the province provides for those services. So that necessarily is quite an intensive undertaking. We, of course, always did have information about funding and number of children served, but we never really did have information that described the programs and services at this level of detail, down to the program definition and the distribution across the types of students, children and youth, and individuals being served.

That undertaking started last summer. We distributed tools to all of our agencies that could have been receiving and therefore offering programs and services that could be called mental health, as defined by the framework.

You have all that information in. I can give a little bit of information as to what we have so far.

Mrs. Liz Sandals: That would be very helpful.

Mr. Aryeh Gitterman: It's not totally analyzed yet; we're still digging into the data.

Let me start first by the number of agencies. We have very detailed information now on over 370 agencies across the province. These are agencies that are offering mental health programs and services. Of course, it doesn't mean they're all doing the same thing, and we had a very good description from the four agencies here as to the range of programs that could be offered.

Those 370 agencies describe for us over 1,500 programs and services. So of course, many agencies are doing more than one thing. For each one of those programs we have a definition of the kind of child or youth being served; what the level of need is; how long the children and youth are waiting for service, or the families as it may be; how much money is associated with that program; and a detailed description of the programs themselves.

For example, we know that of the 12 large categories of programs, the most commonly offered programs are around assessment services and what we call intervention or treatment services. There's a whole variety, 10 other program categories, for example crisis intervention, emergency intervention, family support etc., but the two most commonly offered are the two I mentioned.

Just by way of the—

Mrs. Liz Sandals: Could I interrupt you there for a minute, Aryeh? Intervention/treatment as a common category doesn't surprise me, but that sounds to me very, very broad. Would I be correct in assuming, then, that if this child presents with this very specific problem, within the mapping data you wouldn't yet be able to sort out who has the most appropriate treatment for this particular child's particular problem?

Mr. Aryeh Gitterman: I can tell you what we can do, which sometimes helps define what we can't do—

Mrs. Liz Sandals: Okay, that's a good start.

Mr. Aryeh Gitterman: —but not always. What we can do, for example, for a particular agency that has described the services they're offering as an intervention program is determine, because of the information provided by the agencies, what proportion of the children being served by that program would be at a high level of need, a moderate level of need or, in fact, have no demonstrated problem but are there more for an early prevention service. So one of the things we have—

Mrs. Liz Sandals: So the BC—whatever it is?

Mr. Aryeh Gitterman: BCFPI.

Mrs. Liz Sandals: If I can get all the right letters. In that initial intake screen there, you've got children who actually aren't coming up very high on that screen at all?

Mr. Aryeh Gitterman: That's one of the ways that is determined; that's correct. We do know, for example, that there are many programs, and for very good reasons, that are offered to children at several levels of need, if I could describe it that way. Because of the need for service, often agencies will take in children from a wide variety of need levels because they want to provide services. We now have a better understanding of the mix of types of need and how well or poorly that is matched to the services in a community. We didn't have that level of understanding before.

The Acting Chair (Mr. Phil McNeely): Could I suggest that we let the executive directors make comments, if they wish, as well? Is there any input you wish to make?

Mr. Alex Munter: I guess everybody has suddenly been struck by shyness. I would say the mapping exercise was certainly, first of all, very useful. It will be a very useful tool for system planning, and we are all engaged with the ministry in our regional areas in system planning exercises. In our agency's case, we involved staff teams in it, so it was a good opportunity for us around reflection in terms of what the strengths of our programs are and the clientele that we serve.

I would say, as a word of warning, that I think it is always wise to scrutinize resources. It is always wise to see how we could more optimally use those resources and serve more kids, and serve more kids better. But at the end of the day, there is a law of diminishing returns, and there's only so far you can go with the resources that you do have. I think that is an omnipresent reality for us.

The other piece that we're hopeful about is the big focus on evidence-based practices and big focus on learning, program evaluation. I think there's a great ambition in our staff team to learn more and to have better tools but, funded as a service delivery organization, there's a limit to how much of that we can do. We've recently signed a partnership agreement with the University of Ottawa to develop a research partnership. We've got truckloads of data, and they've got truckloads of researchers. We think it's a match made in heaven, so we're going to try to figure out how we can leverage the combined brain power of the two organizations to help with some of this work as well.

Mrs. Liz Sandals: Anyone else? I've got a follow-up question, if I may. Gordon?

Mr. Gordon Floyd: Can I just add a little bit, Mr. Chairman? As Alex has said and as we all feel, this mapping exercise is clearly going to be useful, and it's clearly needed. We don't have as strong a sense as we need about what services are available where in the province and how those match to the needs.

1340

Part of this confusion has arisen from, actually, some of the issues that Mr. Hampton was getting at around the wide variety of different kinds of organizations that are getting bits and pieces of the children's mental health budget.

The community-based children's mental health system that we have in Ontario is one that was created in 1970 by the Davis government. They created about 100 community-based agencies, covering the entire province, to be the backbone of a child and youth mental health system. Most of those agencies still exist, some of them amalgamated, but they're out there and they still cover the entire province, and they are the locus in each community of clinical expertise and research expertise around the delivery of child and youth mental health services.

We have been very surprised to see the numbers of transfer payment agencies that are being funded out of

this budget. The notion that there are 440 agencies—we can't even identify about 300—is a real concern for those of us involved with Children's Mental Health Ontario, where we have some very clear standards around accreditation, where all of those agencies—only 125 agencies in the province actually use the BCFPI tool, and a similar number are using the CAFAS tool.

The situation we have is that vast parts of the child and youth mental health budget are being dispersed to agencies that aren't collecting any of the standardized data across the province. They aren't using the standardized intake tool, they aren't using the standardized outcomes measurement tool and they aren't accredited. We have some very, very serious questions and concerns about what's going on in those agencies, because we know so little.

Mrs. Liz Sandals: Thank you. That's very helpful. One of the things that the auditor mentioned, which caught my attention, was an example of a situation where an agency was funded for, I think, eight beds, and staffed at eight beds, and a number of those beds were vacant. I don't know whether I can—first of all, I'd like to clarify that those were mental health beds and not youth justice beds. Does anybody know what I'm talking about? Jim, can you help me out here?

Mr. Jim McCarter: I think that might have been one of the residential programs.

Mrs. Liz Sandals: Yes, it was a residential program.

Mr. Jim McCarter: We had a look at the residential programs, and we were just looking to see where there were beds. If there were beds, were they being filled? And if they weren't full, was the staffing adjusted for it? I think that was the issue.

What I said this morning was, probably what we found overall is, on the residential side of the services, for a large part, the needs were largely being met. I think we felt that it was maybe more the non-residential side that was a bigger part of the problem. I think that was our perspective.

Mrs. Liz Sandals: Okay. Can you speak to that, Alex?

Mr. Alex Munter: I'll speak to that, because I believe the residence in question is the residential crisis unit, which is one part—if you recall, earlier, I talked about the 24-hour crisis line, which is backed up by a mobile team, which is backed up by a residence. That's the residence in question.

Mrs. Liz Sandals: What funding stream would that be?

Mr. Alex Munter: That is out of the funding stream we're talking about. That is a mental health service.

Mrs. Liz Sandals: Okay. It's not youth justice. I understand that's a different—

Mr. Alex Munter: No. And just to be clear on just a couple of points that are relevant here: First of all, staffing is adjusted. In fact, we do adjust for volume of occupancy. What is relevant here is that the period that the audit was looking at was the first year of the operation of that program. What we've seen steadily over the

course of the three years that it has been in operation, not surprisingly, is that the occupancy has progressively gone up, as have the number of calls for service to the crisis line, as have the visits by the mobile team.

That's a new service, that integrated crisis response service—it's basically three years old at this point. It continues to be used more and more effectively. Remember, it is also really a preventative service. Part of the business case why the ministry is investing in these services is that that short-stay residence, because it's a stay of only up to five days, is designed to prevent those young people and those families from being involved in the child protection system or, worse yet, the youth justice system, which, as you know, is far more intrusive and far more expensive.

Mrs. Liz Sandals: Just a question then: Given that it is short stay, and you've therefore, by definition, got high turnover, where I was going with this is, if you've got space—we know coordination of service is an issue; we know distribution of service is an issue. If you do have nights where you don't have kids there that week, or very many, from the immediate Ottawa area, do you have the capacity to reach out to the people to the south or the west of you to allow their kids to access your service?

Mr. Alex Munter: They do have access to the service, actually, because that integrated program is a regional program, so that's a good example of what you're talking about. The phone line is a 24-hour line, backed up by a database that we share with nine agencies ranging from Renfrew county to Akwesasne reserve through that band in Champlain. Those agencies don't have capacity for 24 hours, so we're their emergency backup. They give out the hotline number to their clients, and then we push the information through the database from our operation to them, right into their database, so their workers the next morning have the information on the intervention.

The residence is available to them. It is far, and it is short stay, so if you're in Pembroke, going all the way into Ottawa for a two-day stay can be more daunting than it is if you live in Orléans. But it is there. It is used. As we see the occupancy numbers go up, it will continue to be used more and more.

Mrs. Liz Sandals: Nevertheless, it is—

The Acting Chair (Mr. Phil McNeely): That's the time we have.

Mrs. Liz Sandals: Yes, could I just finish a comment? Nevertheless, it is a service that you'll never be able to afford in Pembroke, so having it available in Ottawa is really, really valuable.

Mr. Alex Munter: We work with them to deliver the service. There are nine agencies that work together on the delivery aspects of that service.

Mrs. Liz Sandals: Okay. That's good news.

The Acting Chair (Mr. Phil McNeely): Thank you. Mr. Hardeman.

Mr. Ernie Hardeman: Thank you all very much again for the presentation. I'm going to start off with the ministry. It seems that the audit was fairly supportive of

or benign about the services that are being provided by the different agencies. The concern I have uppermost in my mind is, do we, as a ministry, know what we're getting for the money we're spending? In fact, is that being spent in an equitable way for the citizens of the province, not geographically in the province, but for the individuals who need the service? How do we decide where the money goes?

To help with the answer or to explain the question more, it seems to me, because of the historic way this sector has been put in place, that we fund it based on where the initiative was taken originally to set up an organization to help children and youth, but places where they didn't have that initiative at that time cannot get any money now to get one started. The funding is based on historic spending as opposed to historic or present service needs. I wonder if the deputy could help me with that.

Ms. Judith Wright: I think it is fair to say, just to repeat what others have said at this table, that this sector is, relatively speaking, a very young sector. Child welfare has been around 100 years; I think it was Gordon who said that this was started in 1970. It is fair to say that the sector itself has grown up on a community-by-community basis and that our funding has been allocated on a regional basis to encourage and have flexibility of services on a regional basis. I think what we're trying to say is with the development we did with the sector of the framework, we, for the first time, started to say, "Where are the strengths in that community-based approach?" There is, in this sector, time to do a number of things, one of which is to find: What do we think children's mental health services are and what's a common definition of that? What are consistent levels of services? So the framework sets out the four levels of needs—sorry, not services. Finally, what are we currently funding now that fits into the framework, which is the purpose of the mapping exercise?

1350

The mapping exercise, which Aryeh was starting to explain, will provide and has provided us with information on, "Here's your frame; what are you actually ministry-funding now?" Some of it—I don't disagree with you—is historical, but that doesn't mean, as we were having the discussion with Mr. Hampton, that it isn't a useful service. But it may be that it now has to be looked at within the new framework that we're talking about.

The mapping will give us enough evidence to start to have that discussion at the local level with the local planning tables and with the agencies as to, "Here's what children and youth mental health services are like in your community; here's the framework; where are the gaps? Where are the duplications? Where do we want to go forward on it?" Over time, that will enable us, I think, to have a more disciplined approach to what services are delivered and in the same way to what we fund.

Mr. Ernie Hardeman: I know this is going to sound like I'm going to be critical, and I'm not—

Ms. Judith Wright: It's okay. I'm not perfect.

Mr. Ernie Hardeman: I'm not that type of person.

Somebody moves into my community—and this is not from the provision of services, but from the political side—and calls my office and says, "We just moved from downtown Ottawa"—and I've visited some of those residential places that Alex spoke about—"and these were the services available for my child. How come that service is not available in Oxford?" Obviously, it's a government-paid-for service, so it must be my responsibility to make sure that my people whom I represent have fair and equitable service. Who do I go to to get that service in Oxford county?

Ms. Judith Wright: This does go back to the point that these services not only grew up at a community level, but there isn't what we would call a core set of mandated services. There isn't, with children and mental health, a mandated service to have a doctor in your community. Because of that and because of the fact it isn't mandated, we work within the resources that the government has given us within its fiscal framework. Under those circumstances, I think the agencies on the ground do their best to attempt to meet the broad level of needs that exist for all children and youth that have mental health problems in this province. But in some cases, there are gaps, and we've seen some already from the mapping that we've done. As I said, based on that information and the framework, we'll be able to discuss what, at a community level, needs to be done on that.

Mr. Ernie Hardeman: I'm starting to think like I'm in question period now.

Ms. Judith Wright: Uh-oh; that's a problem for me, sir.

Mr. Ernie Hardeman: Exactly, because the question was, where would I go, as the MPP for Oxford, to deal with the challenge of a service that is available elsewhere but not available to my people? Who would I call and how would you go about getting that service?

Ms. Judith Wright: Sorry, I misunderstood your question.

Mr. Alex Bezzina: The first thing to note is that it may simply not be available in your specific community. Can it be made available in a surrounding community for that particular family or are there other ways of getting that service met? If you're wondering who to call, I think that most MPP offices know to call the regional office of the ministry. The program supervisor or one of the managers in the office can assist the family with finding the service that they might require. This is particularly true when families are in crisis, as they sometimes are. The ministry does work very diligently to find the services that families need.

Mr. Ernie Hardeman: I'm going to try it a third time. I don't have an individual who is lacking the service today, okay? I have the responsibility, as the elected official for my community, to see that my people have the same level of service as anyone else in the province. I'm told by a third party that, in my community, I haven't done my job because there are services available in every geographic area around me but not in my riding. Where

do I go, who do I talk to in government, to say, "I want to start up that service. I want that service available to my people, the same as everyone else gets"? Where do I go to do that?

Ms. Judith Wright: Technically you would approach the Ministry of Children and Youth Services—you know this—and approach our regional office. Within that context and within the context of the allocation of the resources that we make, we would likely have to do a number of things. One is to ascertain what the need in your community really is for that service. Are there any other current services that exist in your community that provide that service but are not named that, perhaps, or where we can actually link you in with a service that's not in your community that's provided?

One of the expansions that we've made most recently is in telepsychiatry. It may not be the exact example of the constituent you're talking about, but our increased investment in telepsychiatry has enabled us to address some of the service gaps in terms of access to professional services in rural and northern areas.

The first stop would probably be not just the regional office, but the regional office would then engage with the other service providers in that community to see where we could address that gap.

Mr. Ernie Hardeman: One further question on that, and then I'll change this, but I went through this process. We do have the services available in part of my jurisdiction. I wanted that service expanded to the other part of the same area I represent, because they don't have any of those services there. When we went to the ministry, they said that the money coming to my area was fair and equitable compared to everyone else's. When I looked at the people providing the service, that wasn't the case. We did a lot of chasing. It turns out that there was another organization getting funding for children's mental health and not necessarily spending it on that. Meanwhile, children's mental health in my riding was not getting the service it was entitled to, and nobody seemed to be able to do anything about it.

The challenge I see: What do we need to do, as a recommendation from the committee, to make sure that the money for children's mental health is all being spent on children's mental health? Is there a way that the ministry actually follows that up to make sure that that's happening?

Mr. Alex Bezzina: I think the point that you're making is that if there are funds being allocated to children's mental health, this committee wants assurance that it's being used for that particular purpose.

I'm not entirely sure if everybody would be in full agreement with what the definition of a mental health service is, to begin with. In fact, that is one of the things that we're finding as we're doing the mapping exercise: There's a broad range of ways of intervening with families, with kids, with youth, from a very early intervention/prevention kind of perspective to some fairly intensive interventions that are required. So what might be a mental health service to one agency may not be

considered to be as important by another agency. That's the reason why, at this particular point in time, our main way of keeping organizations accountable is through our service contracts. If we're contracting for a particular service, they must be accountable for that.

The most systemic issue that you're raising is what we're trying to get at through mapping: to determine what range of services need to be available or should be available in any given community. How do we ensure that the resources that we allocated are being used to fulfill the mandate of the policy framework?

Mr. Ernie Hardeman: Thank you very much. I do want to say, I'm going to be biased in my next question, but in Oxford county we do have the best child and youth services anywhere in the province. They're good folks. I meet with them on a regular basis, and the biggest challenge is, of course, as was mentioned, the lack of funding in the big picture. What that causes is a waiting list. We have to work hard, of course, in deciding what creates the waiting list or what we do with the waiting list. What happens to those people if they're on the bottom of the list for service? What are the chances of them getting service? The time that they are eligible moves faster than the list moves up, so they never get to the service. Recognizing that we're only going to serve the number of people we are presently, because everybody is working as hard as they can and there's no more service available, is there a way that you can set the eligibility at a level that there would be no waiting list? We're going to miss doing some. I want to be sure that we're missing the ones who least need it.

1400

Ms. Judith Wright: Actually, the agencies would probably be better to talk about this. I think the question you're asking is what happens around the triaging of someone who is in need of a service. Because not all of the mental health requirements are on the same level of urgency, agencies triage those who are most urgent and manage, I think, their wait times accordingly.

So I would actually ask the agencies, if they don't mind—I'm sorry to put you on the spot—to just talk about the challenges of actually doing that. I personally can't imagine a time where we would never have wait times/wait lists. It's just kind of part of life, but the agencies may have a different view.

Mr. Peter Moore: I can talk about our experience. It's the art and science of managing this. So we look at the BCFPI data, you look at the type of problem and you look at the array of services and you match. I can say that we don't have anybody who doesn't get service, but they will have less intensive services if their problems are less severe—so those who are early intervention and prevention. It's always a challenge. I'm not minimizing that, but I think we pretty well match what the intensity of need is with the kinds of problems there are.

We would do a large group program, a parenting program in an auditorium, for those less severe problems, and we would do intensive individual work with those with more severe problems. But we track the wait time

for all of our clients so we can tell you to the day how many days every client has been waiting and match that against their profiles.

The Acting Chair (Mr. Phil McNeely): Mr. Spekkens wanted to add.

Mr. John Spekkens: I'll just add a comment. In our agency—and I think it's a common practice in a number of agencies—we may talk about a waiting list of, say, 100, but it's not like lining up for tickets somewhere, where it always goes numerically one at a time. The triage that we perform is, if somebody comes in with an extremely urgent need, they may get service much faster than somebody where things are sort of held together not too badly. Now, of course, the flaw there is that you've got to have a crisis to get service, it seems.

What we're also doing is, people on the waiting list—again, depending on the need and the intensity of their problem, the treatment staff will also carry five or six or 10 people on a waiting list that they will have some contact with, minimal contact. It's not an intensive treatment contact, but it is a contact to monitor that the situation does not deteriorate dangerously or to respond to a need where maybe a half hour may settle something so they can wait another month before they get into the full service.

Still, it has the feeling that it's sort of churning a list and the list is still a problem, but the most in need will typically get the service faster than those in much less need.

Mr. Alex Munter: And that is, in fact, a reframing effectively of the eligibility criteria. Our agency does the same thing. We do a risk assessment at intake. We try to divert clients where possible, where it's appropriate, into parenting groups, single-session therapy. We have the crisis support there. We check in with everybody on the waiting list. So there's that kind of a dynamic management of it.

When I talk to folks in our agency who have been, for example, in our youth and family counselling program for 15 or 20 years, their observation about the impact of that is that the cases are more complex, the needs are far more severe and the program then evolves on that basis, which gets us away from our capacity to be doing some of the early intervention/prevention pieces as we become more and more about responding to crisis.

Mr. Ernie Hardeman: If I was to make the comparison between the medical system and children's mental health, we have waiting lists for things in the health care system. If I want to get a hip replacement, I may have to wait eight months, I may have to wait 10 months. That's all predicated on that if I get sick and I need immediate medical attention, I go to the emergency room and they look after me. Is that also true for children's mental health, that everybody who needs immediate service is going to get it?

Mr. Gordon Floyd: I think it depends on the level of need. Anybody who approaches a children's mental health centre in crisis will go to the head of the line. So if we have a child who has attempted suicide—let's take

that example—that child is going to get immediate service.

There are a couple of areas, though, where there's a real divergence between what happens in the children's mental health system and what happens in other parts of the health care system. We don't have any kind of wait time strategy around the children's mental health system as the government has created in a number of other areas. There are no targets that have been set for the system to aim at and to strive to meet, although we do know—there's been a fair bit of academic work done on this—that the average wait time that does exist in the system far exceeds what clinicians would set as targets, had they been asked to do so formally. That's one big difference: There's no formal monitoring of wait times in that way.

I guess another difference that's very important to bear in mind is who it is that we're dealing with here. When somebody comes looking for children's mental health services, usually it's the parent bringing the child and usually, by the time they have gotten to the point of asking for help, they're at the end of their rope. They've gone through a long period of denial, stigma being such a huge issue and the shame around these conditions being so large. They've tried to manage the problem at home through better parenting techniques and bringing in the grandmothers, or however that's done. They've probably worked with the school. They've quite possibly been to their family physician. None of that has yielded a solution, and so they end up at the door of a children's mental health centre. Then if their child is not in crisis, we say to them, "You're on a wait list now that's going to be probably between five and six months," which is an eternity.

I think the analogy that I would use with the health system is, what happens when somebody approaches their physician with a bad cold and nothing happens, that cold becomes bronchitis and still nothing happens, and then that bronchitis becomes pneumonia? By the time it's become pneumonia or its equivalent, then they get into the children's mental health system.

Certainly we can set a threshold so that there will be no waiting lists, but I think that the consequences of setting the threshold that high would be horrendous for the children of this province.

The Acting Chair (Mr. Phil McNeely): Thank you. That's the end of that round.

Ms. Judith Wright: I'd like to add one thing to what Gordon said—

The Acting Chair (Mr. Phil McNeely): One minute.

Ms. Judith Wright: —as I think that's a very eloquent statement that he's made. It's true we haven't thought about it and we're not proposing to set wait time targets, partially because I think we have a round of research and evidence to do to make sure that we actually understand and have good data on wait times. One of the things we're going to do on mapping is look at what the regional variation in wait times is. The other thing we're going to do under mapping is look at the potential of benchmarking those wait times, because if we can bench-

mark them, we can begin to go in the direction that Gordon's recommending around targets. The third thing we're doing is, we're going to do a review of best practices—

Interjection.

Ms. Judith Wright: —I'm talking quickly—on wait times so that it's not only on how you measure wait times, but how you monitor them and actually how you can reduce wait times. We believe those steps to be important before we would move to something like the targets that Gordon's recommending.

The Acting Chair (Mr. Phil McNeely): Thank you. This next round will be 15 minutes, and that'll take us till the bells sound. Ms. Gélinas.

M^{me} France Gélinas: Thank you, Mr. McNeely. Sorry I missed your introductory comments. I'm truly sorry.

Interjection.

M^{me} France Gélinas: I'm pleased to meet you, too. Children's mental health is something that is very important to me. I tried really hard to be here, but I just couldn't.

1410

The first question I had had to do with the mapping exercise. I understand some of it, but not truly. But the part that I'm most interested in is, we have done the mapping, and we have a pretty good idea of what's on the ground. Has the work already started to see—okay, now, here's the set of mandated services we want. We have our map. Do we also have a goal as to how we would want to use that information to inform change in the children's mental health system?

Mr. Aryeh Gitterman: We do have a goal in the broadest sense of the word "goal." The policy framework does set out the description of a coordinated system with timely access to a range of services or a range of needs. It's not concrete about quantity of service or program.

One of our more immediate next steps, which I think is a step toward what you're describing—one of our immediate next steps is to take the information from mapping and put it in a sort of profile of the province, and by region and by community, so that we can then go back to those communities with that information and have a discussion with the agencies and with other representatives of the community as to whether or not the picture of that community, contrasted to the framework's goal, is adequate; and if not, what can be done, both from our perspective, the agency perspective, and that of other representatives in the community, in the short term or perhaps the long term, given whatever restrictions we have with current resources.

It's not quite as specific as you've mentioned, because it doesn't include the entitlement aspect, or the mandated aspect, because children and youth mental health is not a program with entitlements. It goes somewhat toward what you've described, but not all the way.

Ms. Judith Wright: I'd just like to add to that. Because this is a new exercise for children and youth mental health—on the community-based side, anyway;

on the health-based side, this is a fairly well trodden territory—the conversation with the agencies and back in the local communities is probably as important as having done the exercise. People have to understand and believe that this data is real data. We all have to agree that it has real meaning. We're going to take a thoughtful rollout process in doing that, and engage in a good, solid discussion on what this data means for all of us.

M^{me} France Gélinas: Okay. I think that the end goal that you've stated is very good, but I'm still a little bit surprised that there is no work being done to go from these high-level goals, province-wide, to what it will really look like. I have in mind things like what is the percentage of resources that will be in promotion and primary prevention, in actual casework, in treatment etc. Who is working on that kind of issue? Or am I dreaming here?

Mr. Aryeh Gitterman: Let me describe a little bit more some of the other things that we are undertaking, which I think may be helpful.

M^{me} France Gélinas: Sure.

Mr. Aryeh Gitterman: We do understand, and it goes to some of the other evidence we've already collected, that I had started earlier—we do know from mapping what percentage of programs and services are being directed currently to children at different levels of need across that continuum. And just by way of example, at a very high level, about 20% of our programs and services are directed toward children at the lowest level of risk and about 18%, 19% at the highest level of risk; there are four levels. So we know the current. We don't know, however—and this is some of the work we're undertaking—what is an appropriate distribution.

That goes back to some of the comments the deputy made about benchmarking ourselves. It's not just benchmarking ourselves on issues like wait time; it's also benchmarking ourselves on distribution across those levels and it's also benchmarking ourselves on the success rates for our interventions. We collect information through one of our other tools, CAFAS, on the improvement level associated with different programs. Until we do this benchmarking exercise, we don't know what is a reasonable goal for improvement. Of course, the other level we want to benchmark ourselves on is the quality of the program and service being delivered. Is it based adequately and—several agencies commented on this as well—is the evidence attached to the program which is attached to the outcome? We are undertaking that work, which isn't quite as specific as you mentioned but is on the road to that.

M^{me} France Gélinas: Do you see at some point having mandated services in children's mental health province-wide?

Ms. Judith Wright: I think the decision to mandate it would be a government decision.

M^{me} France Gélinas: Which is all right.

Ms. Judith Wright: Yes, it is that.

M^{me} France Gélinas: We'll leave it at that.

Of the 448 agencies that receive funding, how many of them are under the LHINs?

Ms. Judith Wright: Do you mean under the LHINs in the sense of funded by the LHINs at the same time?

M^{me} France G  linas: That's right.

Ms. Judith Wright: I don't have that data with me. Do you, Alex?

Mr. Alex Bezzina: We don't have that data.

Ms. Judith Wright: Gordon?

Mr. Gordon Floyd: I know there's at least 27 hospitals that I believe—

Ms. Judith Wright: We do fund outpatient programs in hospitals.

Mr. Aryeh Gitterman: Again through mapping a point in time—

Mr. Gordon Floyd: Sorry, it's 17.

Mr. Aryeh Gitterman: There are 17 outpatient programs we fund which are housed in hospitals. There's also a very, very small percentage that may also be receiving money through LHINs. Of the agencies that we've been talking about, well over 90% of their funding is from MCYS. There may be a small number. We could uncover that, but it's a very small number.

Mr. Alex Munter: It's an interesting issue, because what it means is that since the vast bulk of adult mental health services are funded through the LHINs, when the LHINs talk about mental health, they mean adults. That's what they see. That's what they understand. I know in our LHIN we've been having discussion around how we establish a community of practice around child and youth mental health that fits in with the rest of the health care system so that this piece is not invisible.

Mr. Aryeh Gitterman: Just to continue, that is absolutely correct; it's primarily adult mental health. The Ministry of Health does have responsibility for addiction services for children and youth, so there's some activity there. There are a number of in-patient beds for children and youth in the mental health area as well. Those are related. I should add—I didn't mention this before—that the mapping exercise we have undertaken will include all of those services as well. We'll have a better understanding of it when we have that information.

M^{me} France G  linas: Okay. One of the recommendations from the auditor, recommendation 10, had to do with governance and accountability. Of the 440 that were submitted with—do they have that? You do have the report?

Ms. Judith Wright: Yes, we do.

M^{me} France G  linas: How many of them have a board of directors?

Mr. Alex Bezzina: All of them have a board of directors. The transfer payment accountability directive of the government, which the ministry follows, requires a board of directors to be in place when we fund an agency. There's a number of requirements; that's one of them.

M^{me} France G  linas: They're all not-for-profit boards?

Mr. Alex Bezzina: The organizations that we fund directly are not-for-profit.

M^{me} France G  linas: I see that you fund quite a few First Nations communities. How do you reconcile the structure of the First Nations, which isn't really conducive to having not-for-profit boards operate within First Nations communities?

1420

Mr. Alex Bezzina: We have to ensure that there is some capacity for oversight for the program dollars that are being provided. Whether it's the band council or other oversight bodies, we need to make sure that there is a point of accountability for the oversight of the use of the dollars.

M^{me} France G  linas: When you said that all 440 had a board of directors, some of them, especially the First Nations, may not have a board of directors; they have an accountability mechanism through their First Nations band council?

Ms. Judith Wright: That's correct. They'd have an elected body. It would be similar if we gave funding to a municipality.

M^{me} France G  linas: The recommendation from the auditor was to include child advocates. I was wondering what is being done right now to make sure that we put forward children's mental health advocates on all 440 of those not-for-profit boards or band councils?

Ms. Judith Wright: We have actually, over the last couple of years, encouraged agencies to have a youth voice, as we call it, on their board. In fact, the Youth Services Bureau of Ottawa has a very fine model for incorporating advice from clients and from youth. We haven't made it a mandatory requirement. I think it's something that we would need to look at and talk to the sector very clearly about. As part of our strategic plan, we have as one of our goals that there will be enhanced participation and a place for the clients and for children and youth in the decision-making process around their services. I don't know if Alex wants to talk about his model or not; he may not want to.

Mr. Alex Munter: I always want to talk about our model. Very briefly, and we can send you some of the information, we have a youth engagement program in our agency that operates out of our downtown services. To see the transformation of these young people, who were some of the most at-risk people in the community, at the end of their involvement with the program is quite inspirational. So we've developed a mechanism for them to have direct input with our board of directors, to be able to provide input, to meet with the board, to attend the board retreats, to report to the board on a regular basis and to engage the board in their activities.

The Acting Chair (Mr. Phil McNeely): That's the end of the time. For the Liberals, there are three of you who wish to speak. You have 15 minutes, so we'll start with Mr. Zimmer.

Mr. David Zimmer: My question is about accountability. The Auditor General refers to \$502 million for the children and mental health program; 40

agencies get \$250 million, and 390 agencies get \$250 million. I was struck by Mr. Bezzina's comment about the oversight mechanisms that are in place for program dollars that you referred to, but then I contrast that with the statement of Mr. Floyd earlier, who said some of these things: "We don't have a good idea of what services are available in different parts of the provinces. We can't identify about 300 of the agencies." Presumably that's 300 of the 440 agencies. "We know so very little about what's going on in those agencies." The two points of view don't fit. On the one hand, you're talking about dollar program accountability. Mr. Floyd says we don't even know what's going on in 300 of those agencies, and yet 390 of those agencies are getting \$250 million. How can that be? How do you resolve those two points of view?

Ms. Judith Wright: I beg to differ with my colleague at the end of the table. The ministry does know what it's funding in those agencies. We have transfer payment accountability agreements with every one of them. I think Gordon is probably speaking more from an association perspective, and that's fair. From an accountability perspective, we do know what we're funding.

The question that we're now grappling with is, are we funding exactly what we should be funding? That's actually where the mapping exercise will take us. We do know and we can tell you what's being funded in the various places. Gordon is free to elaborate if he wishes.

Mr. David Zimmer: Fair enough. And so, Mr. Floyd, could you just—

Mr. Gordon Floyd: My comment—

Mr. David Zimmer: I just have to resolve those two statements in my mind.

Mr. Gordon Floyd: Absolutely and quite fairly. Certainly, as the deputy has said, the ministry contracts for specific services and specific numbers of children to receive particular types of service. They know that, and there are lots of those coming in. Lots of those contracts are very small—so small that they don't even get reported in public accounts. They don't meet the threshold to be reported individually, which is why we don't know the names of a lot of the agencies. We can't find that from outside. I'm sure the ministry knows who they're cutting cheques to.

My comments about not knowing what's going on in about 300 agencies actually were tied to my observation that the two mandated tools—the BCFPI, the intake tool, and CAFAS, the outcomes measurement tool—are only being used in 125 agencies. For the other agencies, we're not using the consistent screening tool to do the kind of triage that we were talking about earlier to assess what needs are and we're not measuring outcomes in any consistent way that can be compared to what's happening in other parts of the system.

Mr. David Zimmer: I saw that Mr. Bezzina wanted to respond to that.

Mr. Alex Bezzina: To get a point of accountability from the ministry's perspective, I just wanted to indicate that not a single dollar can flow to any agency outside of government unless there's a service contract in place.

Mr. David Zimmer: All right. Thank you.

Mr. Alex Bezzina: I'm sure the agencies would agree, service contracts are somewhat onerous in their reporting requirements.

Mr. David Zimmer: Back to Mr. Floyd, then, to do with your statement that you know so very little about what's going on in the agencies and you can't identify about 300 of them. How could an answer or a solution be provided to your concerns?

Mr. Gordon Floyd: I suppose that if we're truly going to have—in fairness, I think the ministry is definitely trying to move in this direction. But if we are going to have what we want to refer to as a "system" of children's mental health services, then there are going to have to be some consistent pieces that exist across that system that are going to allow us all to see who is accessing what kinds of services and what kinds of outcomes are being delivered by the system.

Again, as the Auditor General noted in his report, we don't have in the children's mental health system the same kind of standards for service delivery, for the way in which services are actually put out there, as exists in a much more highly regulated system like the child welfare system. As service providers, we've collectively tried to address that by developing and managing an accreditation program that does establish some consistency in the way services are delivered, and it does hold agencies to account to those accreditation standards. As with the BCFPI and the CAFAS tools, the accreditation program is actually only being used in fewer than 100 agencies.

Mr. David Zimmer: Just a last point: How closely does the ministry work with agencies, for instance, like Mr. Floyd's agency, Children's Mental Health Ontario?

Ms. Judith Wright: We work extremely closely with the agencies that are his members because those are the agencies with which we have a contractual relationship. Our regional offices work with them, and most communities have a planning table for mental health where those agencies and other related services fit in.

1430

Mr. David Zimmer: So he could get his information that he needs about the 300 agencies through that relationship?

Ms. Judith Wright: He could get it that way, but if Mr. Floyd would like a copy of all the agencies we fund, I'd be pleased to give it to him.

Mr. David Zimmer: Thank you, Mr. Chair.

The Acting Chair (Mr. Phil McNeely): Mrs. Van Bommel.

Mrs. Maria Van Bommel: Thank you for being here today. I just want to go a little bit further because we've talked quite a bit about who's funded, can we list them and all this sort of thing, but I think at the end of the day the really critical piece is the outcomes of that. We heard that not all the organizations use CAFAS. So how do we measure the outcomes? How do we know that the dollars that we're sending into the agencies and the service delivery people are getting the kinds of outcomes that we need to have? Do we measure that? What happens if they don't meet the measure?

Ms. Judith Wright: I understand the point that CAFAS and BCFPI are only used by 120 agencies, but they're 120 agencies that represent a fairly large percentage of the service delivery in the province. From that data we do get effectiveness data, particularly from CAFAS, in terms of how well we're doing in assessing and serving children and youth.

In addition, as part of the contracting process, and Alex can speak more to it, we require agencies under this onerous process that we have to report to us on service data, and we fund them according to service data. So we can measure through that the number of units of service that we're funding and what type of service we're funding.

Once again, we are now drilling down, as we've talked about at this committee, on what more specifically that means by level of need in terms of service.

Mr. Alex Bezzina: I will indicate that up until now—it's really only been in the last couple of years since the release of the policy framework that we've begun to have a robust discussion about outcomes. So now, from an accountability perspective, for those agencies that are not using CAFAS it really is about looking at inputs and outputs from a service data perspective. We expect agencies, and perhaps some of the agencies can speak to this, to be looking at their own service quality and that boards be working with their senior staff with respect to continuous quality improvement. But as yet, we haven't systematized that for all of our contract agencies.

Mrs. Maria Van Bommel: Okay. I take it you would like to say something?

Mr. Gordon Floyd: If I may. Yes, it's true that agencies report quarterly on their output, but as the Auditor General has noted on page 136, everyone's counted the same way regardless of the extent and type of service that he or she received. For example, a person would be counted as one whether he or she attended a single, one-on-one session in the year or many sessions over the course of the year.

So the kind of data that the deputy has referred to that's included in those quarterly reports is pretty primitive output data. It's certainly not outcomes data, and we are a long way from having that consistently across the system.

Mrs. Maria Van Bommel: Do you want to respond to that?

Ms. Judith Wright: I think Gordon's touching on a good point about the difference between output and outcomes. I think there is some measure of outcomes through CAFAS. I think it would be misleading to say that there's none. Measuring outcomes in mental health has a lot of challenges, not the least of which is the diversity of the presenting symptom and the diversity of the intervention. I think through our funding for CHEO, we have actually tried to invest—sorry, that's the Children's Hospital of Eastern Ontario and the Centre of Excellence in Mental Health. We have started to invest in providing expertise on what interventions and clinical practices our best evidence tells us work and don't work

and, therefore, should lead to outcomes. I don't disagree with Mr. Floyd that we're a long way away from having good, robust outcome data, but we're all committed to getting there. It's just extraordinarily complex in this field.

Mrs. Maria Van Bommel: When you talk about complexities, how do you handle them? Very often mental health isn't just one nice little diagnosis. It's ADHD, and there are often other things that kind of complicate, and it could be any number of things. Again, the measure of that sort of thing—how would you assess a situation in that case where, I would suggest, probably most often children who present have complex situations as opposed to a very simple, nice “We treat that and we're good to go”?

Ms. Judith Wright: Yes, I think that's actually very true. We have always encouraged and tried to fund a multi-disciplinary approach. I think the agencies have embedded a multi-disciplinary approach. Your question would probably best be answered by somebody delivering the service.

Mr. Peter Moore: I can speak to that. All of the agencies have multi-disciplinary teams, so usually it's an approach of doing an intake screening by the telephone interview—BCFPI—collecting data and then looking at the complexity. Then it moves to whether it's going to be just a social worker who does the intervention or whether they get psychiatrists or psychologists involved. It really unfolds depending on the complexity. Rick, do you want—

Dr. Richard Meen: No, I would agree. In this day and age it is an interdisciplinary team.

Mrs. Maria Van Bommel: Just one other thing—Mr. Bezzina mentioned it earlier, and it was something I wanted to get back to—and that is the policy framework that was established called the shared responsibility. I just want to quote from the auditor's report on this, where he talks about the fact that of course this is something that is intended to be implemented over 10 years, but he says, “It is not yet clear who—the ministry or the agencies—will take the initiative and be accountable for ensuring that the proposed changes occur on a timely basis.” Has that been addressed? Where are we with the framework? Have we seen any benefits coming out of having established a framework? What kind of progress have we made?

Ms. Judith Wright: I think we had seen some very clear benefits out of the framework, many of which we've touched on today in terms of being able to have a definition of what is a mental health service under children and youth mental health services and enabling us to dig into what is actually happening at the community level.

In terms of the question of whose accountability it is to move forward on the framework, it's very much a shared accountability between ourselves and the agencies that deliver the services for the children and youth who need them. We developed the framework very much in consultation with the agencies, and CMHO had a terrific

leadership position in terms of developing this framework. We would see continuing that kind of collaborative relationship going forward. That is why I said earlier to Madame Gélinas that we see taking the data we have from the mapping back to the community and having a really good conversation with the agencies and the communities, because it has been very much a joint process, both in terms of developing the framework and the mapping exercise.

Mrs. Maria Van Bommel: Thank you.

The Acting Chair (Mr. Phil McNeely): Thank you. The time has expired. We'll go to Mr. Hardeman.

Mr. Ernie Hardeman: I just quickly want to go back to the wait times. I found a disturbing comment that had to do with Peel region. It was a school trustee who said, "20% of our kids—that's 50,000 kids in the Toronto school board—have a mental illness and only one in six of them are getting help...." Is that an accurate statement as it relates to the problem? That means that 8,000 of 50,000 children with mental health problems are going to get some type of service.

Ms. Kelly Henderson: I'm not sure that's an accurate statement because I don't have those numbers in my mind. What I do know is one of the opportunities that was spoken of earlier in reference to the shared responsibility in the development of the student support leadership initiative.

1440

In Peel, our cluster is working collaboratively with the school boards there, as well as the children's mental health organizations and, in fact, we're joining with a broader planning table initiative to ensure that we're trying to move our work forward, both at the school level and in the community, to address the needs of young people and their families. I think that broader perspective of coming together as a community, touching upon mental health and other less formal support, is key in making sure that we are addressing the needs of young people on that spectrum of lower need into more intensive need.

I would say, although I can't comment specifically on those numbers, there is certainly initiative in moving forward to address the needs of the students.

Mr. Ernie Hardeman: Thank you. That number, I find somewhat disturbing.

Mr. Gordon Floyd: I can actually comment, and I know the deputy can do this too. That number is derived from the Ontario Child Health Study, which was conducted out of McMaster University about 20 years ago. I believe it is the most comprehensive study that has ever been done around children's mental health issues, but it's pretty dated. Unfortunately, we don't have anything that's more current than that.

That one-in-six figure, whether it's precise or not, is one that is used quite widely around the country. I think, whether it's exact or not, it's certainly in the ballpark. There are three big reasons behind that figure. The first is that there are an awful lot of kids who have mental health problems who are not coming forward and identifying

themselves, or their families are not identifying them. The biggest issue that we all have to deal with in this field is the stigma that's associated with it, so many children just slip under the radar. We don't address that reality effectively here in Ontario because we don't have any universal screening programs to identify kids who do need help.

We know that most of the kids who are slipping under the radar are not the ones who are acting out and who have serious behaviour problems, but the kids who have quieter, emotional problems, anxiety disorders, depressive disorders and mood disorders. They're the ones who sit quietly at the back of the classroom, and the teacher is happy that they're not disrupting the class, so they never get identified.

We have not taken the steps here in Ontario that they have taken, for instance, in British Columbia, where there is now a routine screening program at the grade 4 level and again at the grade 7 level to try to identify which children need help.

While we, at Children's Mental Health Ontario, are very strongly supportive of the policy framework that has been developed—as the deputy said, we worked closely with the ministry in the development of that policy framework—we are also very strongly supportive of the mapping work that's being done. But we are very concerned that action, on almost all fronts, is being held up while we go through this process of building the business case. We look at other parts of the country, like British Columbia, where they have taken some steps to say, "Listen; we don't know exactly how much money should be spent on prevention"—to go to your question, Madame Gélinas—"but for starters we're saying you've got to spend 10% of your budget on prevention programs and we'll continue working on the data and hopefully the business case will catch up with reality as we go."

Similarly, we don't know what's perfect in the way of a screening process but we know that we've got to start screening for these kinds of problems and, again, the business case can catch up to that.

This is a partial response to some of the things that we have heard from the officials. Again, we're very strongly supportive of the direction they're going in, but we're very concerned that things are moving extremely slowly, and that, really, when the deputy talks about—

Mr. Ernie Hardeman: The answer, though, is the numbers are, to the best of our ability, right?

Mr. Gordon Floyd: To the best we know.

Mr. Ernie Hardeman: The reason that my questions are the way they are is that I understand that there will be areas, and I think this was an example, where the ministry and all the service providers are happy with the direction we're going, but I have to be sure, as the people's representative, that the people are being served, that they're happy with the direction we're going in. Everybody can be happy, but unless we're getting a positive result for the people we're trying to serve, we might as well forget the value-for-money audit and get out of the business, because we have to deal with the

people we're serving, not the people who are serving. Much as I appreciate that we're doing the best we can, I think that's a very important thing that we have to keep focused on.

The other thing has more to do with the actual audit: There are a number of areas where the auditor points out that as organizations, the providers of the service are not doing things in maybe the most accountable and cost-effective way, such as the use of credit cards by the agencies and getting accountability at the end of the day for the money that was spent. There were some mentions in the report about some expenditures that the auditor thought were not legitimate expenditures, but there was no mechanism in the average organization to do that.

Another one was, do we actually tender? Do we get the best price for services purchased, both clinical and non-clinical, within the agencies? On those generally—I don't want to go through each one and ask what you have done about those. What have we done since the auditor's report came out to address those real value-for-money audits and how we deliver the service?

Mr. Gordon Floyd: Certainly, the four agencies that were audited have addressed every one of those issues within their own agencies, but we have done more than that. We found that the auditor's recommendations in those areas were really useful, and we have disseminated those to the hundred or so agencies, the larger agencies that are members of Children's Mental Health Ontario, and have been working with them to ensure that those recommendations are implemented right across the system.

The Acting Chair (Mr. Phil McNeely): I think the deputy minister wanted to respond to some of those issues, too.

Ms. Judith Wright: We have also provided a set of best practice guidelines on procurement, contracting and use of credit cards to all of our agencies, not just the children's mental health agencies, and it is our expectation that those best practices would be put in place.

Mr. Ernie Hardeman: In the relationship between the ministry and the service providers, is child and youth mental health any different from the association between the province and the children's aid society?

Ms. Judith Wright: From the perspective of an accountability agreement, you mean?

Mr. Ernie Hardeman: Yes.

Ms. Judith Wright: No, it's pretty much the same. We follow, actually, government-wide transfer payment directives.

Why do I feel you're setting a trap for me? What was it about that claim?

Mr. Ernie Hardeman: That's what I'm getting to. We did this same exercise with the children's aid society a year or so ago, and there were a lot of large vehicles that were purchased for the good purpose of looking after our children, but they weren't busing the children to school. I guess there was very little accountability. None of those present, of course, would be involved, but I was sure, from the ministry perspective, that we have enough

oversight that that's not what's happening in those that are not represented here today in the provision of services.

Mr. Alex Bezzina: What the auditor commented on in the audit with respect to child welfare and again in this audit is that the standards that are in place within the public service should be looked at as a benchmark for standards of practice in the broader public service. The ministry has, in fact, taken the internal OPS policies with respect to the reimbursement of travel meals and hospitality costs and fleet management and the use of other road transportation. In the area of procurement of goods and services, including the use of credit cards and purchasing cards, we've taken our internal policies and we've adapted them for use externally. The internal ones make reference to things like deputy ministers etc., which don't exist outside of government, but we've adapted them. We've sent them out as best practice to all of our agencies, with the expectation, as the deputy indicated, that they be adopted into practice. Basically what we've said is, "Here are the elements of a good policy. This is what you should have in your policy. Compare your current policies to what we suggest are good practice and make adjustments accordingly."

Mr. Ernie Hardeman: I mentioned the children's aid society for a reason. When you sent in the directive to the children's mental health agencies, was that because of the problem or the issues that the Auditor General found at children's aid societies or was that subsequent to these audits?

Ms. Judith Wright: We sent out to the CASs—actually, we require them to use these guidelines, because we actually have more legislative authority over the child welfare agencies than we have over children's mental health. At that point, we did make a public commitment that we would take those and translate them into these best practices and send them out to the full number of agencies that the ministry funds. We did make a commitment to do that at the time of the child welfare audit.

Mr. Ernie Hardeman: Of children's aid.

Ms. Judith Wright: Children's aid, yes. It took us a while to translate them and get it done, but yes, that's what we did.

Mr. Ernie Hardeman: So the challenges that the auditor found here—were they because they had not yet received the direction or because they were not following the direction?

Ms. Judith Wright: I think they had not received them at that point. I'm pretty sure of that. I'd have to get the—

Mr. Ernie Hardeman: Oh, okay. I want to make sure that they all are working in that direction.

Ms. Judith Wright: No, I'm pretty sure. We made the commitment to do it when we prescribed it for the children's aid societies, and then by the time we got them translated into something less prescriptive—because we didn't have the authority—and sent them out, I think your audit had been finished. Walter would know this better than I would.

Mr. Ernie Hardeman: The other issue was the issue of oversight for the individual organizations, the board of directors and the community people to run them. The auditor suggested that maybe there be a different make-up—different skill sets for different people on the board were recommended, and bringing consumers involved in the other side of it on the board of directors. Has there been much initiative taken on that in the four that were audited? Do you have a different makeup on the board now?

Mr. Gordon Floyd: This was one of the few recommendations from the auditor that we didn't wholly agree with. The reality on every board that I'm familiar with in the children's mental health field is that a good number of the board members are parents of children who have received service from those agencies, and there has long been and continues to be a very significant consumer voice on the boards of agencies.

What has not been present in very many agencies until very recently is what the deputy was referring to earlier, and that's the youth voice. Any child over the age of 16 can receive services without their parents' involvement, and certainly they are important players in ensuring that we have an effective and responsive system of services.

So what has been happening over the course of the last year—this actually predated the release of the auditor's report—is that more and more agencies have been following the example of the Youth Services Bureau and a few others to engage young people in the governance of their organizations and to engage them in a number of ways in the life of their organizations, because they're clearly one of the most important voices to have at the table.

The Acting Chair (Mr. Phil McNeely): Thank you. The time has expired.

I just ask the committee, do we want to go into a closed session? Is there any other business for today?

Seeing no further business, thank you, Deputy Minister Wright, your staff, and John Spekkens, Peter Moore, Kelly Henderson and Gordon Floyd. And I'm glad to see Alex Munter here. I served on his committee when he was chair of community and social services in the city of Ottawa. Thank you for your leadership in Ottawa.

If there's nothing else, then the committee is adjourned.

The committee adjourned at 1452.

CONTENTS

Wednesday 29 April 2009

Appointment of subcommittee.....	P-337
2008 Annual Report, Auditor General: Section 3.04, child and youth mental health agencies	P-337
Ms. Judith Wright, deputy minister, Ministry of Children and Youth Services	
Mr. Aryeh Gitterman, assistant deputy minister, policy development and program design, Ministry of Children and Youth Services	
Mr. Alex Bezzina, assistant deputy minister, program management, Ministry of Children and Youth Services	
Mr. Gordon Floyd, executive director, Children's Mental Health Ontario	
Mr. John Spekkens, chief executive officer, Hincks-Dellcrest Centre	
Mr. Alex Munter, executive director, Youth Services Bureau of Ottawa	
Mr. Peter Moore, executive director, Kinark Child and Family Services	
Ms. Kelly Henderson, executive director, Associated Youth Services of Peel	
Dr. Richard Meen, clinical director, Kinark Child and Family Services	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Also taking part / Autres participants et participantes

Mr. Howard Hampton (Kenora–Rainy River ND)

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

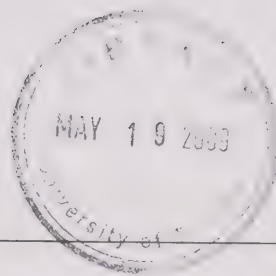
Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

CA20N

XC21

-P72



Government
Publications

P-20

P-20

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 6 May 2009

Journal des débats (Hansard)

Mercredi 6 mai 2009

Standing Committee on Public Accounts

2008 Annual Report,
Auditor General:
Ministry of Education

Comité permanent des comptes publics

Rapport annuel 2008,
Vérificateur général :
Ministère de l'Éducation

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

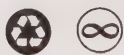
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 6 May 2009

Mercredi 6 mai 2009

The committee met at 1230 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERAL

MINISTRY OF EDUCATION

Consideration of section 4.11, school boards—acquisition of goods and services.

The Chair (Mr. Norman W. Sterling): Good afternoon. My name is Norm Sterling. Welcome back to our committee; some two years have passed since that time. I believe, Deputy Minister, you have an opening statement you would like to make?

Mr. Ben Levin: Very brief, Chair.

The Chair (Mr. Norman W. Sterling): Good. Would you proceed? I like the brief part better than the—

Mr. Ben Levin: Certainly.

The Chair (Mr. Norman W. Sterling): I thought you were going to make a speech.

Mr. Ben Levin: No, no.

I'd just like to thank the Chair and the committee for the invitation to appear with our colleagues from the school boards.

Over the last five years, the Ministry of Education has been very focused on our three goals of improving student outcomes, reducing gaps in outcomes and increasing public confidence in public education. We recognize that the probity of expenditure is a critical part of building and retaining public confidence. So we appreciate the work that the Auditor General and his staff do to assure the public and to help us be on track to make sure that both the ministry and school boards are using money well and appropriately. The auditor's report is one that the ministry has accepted. We support all the comments and recommendations in it.

I would say that over the last few years the ministry has been working very closely with school boards and with some of their associations, such as the council of school business officials, to strengthen and improve the administrative functions in school boards. I hope my colleagues would agree that has been a very collaborative effort. We've been doing reviews of many of the administrative functions jointly with boards. I believe the Auditor General has made that point to the committee. Those have helped us, I think, improve many practices, but, of course, it's an area in which further improvement

is always possible and we're always looking for ways in which we could do so better.

I think I'll just conclude there, Chair.

The Chair (Mr. Norman W. Sterling): Thank you very much. Perhaps the other members who are sitting here as witnesses today could go across and introduce themselves, please.

Ms. Susan LaRosa: Good afternoon. Susan LaRosa, director of York Catholic District School Board.

Ms. Jean Hanson: Jean Hanson, director of Rainbow District School Board.

Mr. William Tucker: Bill Tucker, director of education, Thames Valley District School Board.

Mr. Martyn Beckett: Martyn Beckett, director of education for the Durham District School Board.

Ms. Nancy Naylor: I'm Nancy Naylor. I'm an ADM with the Ministry of Education.

The Chair (Mr. Norman W. Sterling): Would any of you like to say a word at the opening? I think we're going to have lots of time today. This is quite a success story, I think, overall, in terms of meeting the auditor's objectives some two years ago. I don't know if anybody would like to make an opening statement along with the DM, or observations.

Interjection.

The Chair (Mr. Norman W. Sterling): Sure. Go ahead.

Ms. Susan LaRosa: Thank you. It's certainly a pleasure to be back. It was a learning experience the first time we were here. We have continued to work co-operatively with the ministry to certainly improve our practices and our financial accountability.

At York Catholic we've always been very supportive of working collaboratively. We've been involved in the York region buyers co-operative. We were one of the first areas that had a transportation consortium. We certainly were one of the first boards to be involved with the Catholic School Boards Services Association and saved thousands of dollars with that.

Having said that, I think that it's such a good opportunity to be part of co-operatives and consortiums. We have some pretty good best practices to share, but we learned so much from the other people in the consortium about their best practices, so it certainly helps us to improve where we're going.

We've been very active since we were here the last time with many committees, working at revising our

practices and refining our purchasing and procurement policies and so on. We appreciated the feedback and we've continued to move forward and improve.

The Chair (Mr. Norman W. Sterling): Does anybody else want to make a remark? Go ahead.

Ms. Jean Hanson: I'll echo Susan's comments about the value of the experience, starting with the audit itself, followed by the two reports issued. We too have moved forward to put our practices into policy. We continue to look for efficiencies within the system through consortiums, including our transportation consortium, our Sudbury Regional Buying Group and our work with the Catholic school boards in relation to the purchase of electricity. The exercise has certainly drawn our attention to the importance of such efficiencies. This has been combined with the operational reviews that have been conducted by the ministry in a very co-operative way, which have produced best practices for school boards that have not been involved in operational reviews, and we continue to look at the outcomes of those reviews to refine our practices. So all in all, a very positive experience.

Mr. Martyn Beckett: Mr. Chair, I feel compelled to make a comment—

Interjections.

Mr. Martyn Beckett: My colleague to the right can't get out of it now.

As a fairly new director—I think I'm probably the newest out of the group of directors who are here. I've just been in the role for a short period of time, but it has been an excellent opportunity in working toward the meeting today to reflect on the recommendations from the Auditor General and come up to speed from my prior portfolio, with my superintendent/business colleague behind me, in preparing for today.

I think there were a number of excellent recommendations made that are in very good shape within our board, and we have good practices that we're happy to share with our colleagues.

Mr. William Tucker: Mr. Chair, if I may, I do feel compelled now to say something. I'm not going to repeat what my colleagues have adequately expressed, but I do want to take the same line as Martyn. Being a fairly new director in the role, I've really appreciated the auditor's report, for two reasons. One is, it has really identified best practices across the province, and some of those practices we echo and share amongst other school boards across the province. But particularly, it's an opportunity for us to refine our own policies and practices. We've engaged in professional development activities with new administrators, along the lines of recommendations that have come out. We've reviewed these with our superintendents, so we feel pretty good.

1240

One of the best practices I do want to present on the table is an audit committee that we had with two external members that has been very, very successful. We're proud of that achievement.

So I'll leave you with that. Thank you very much for this opportunity.

The Chair (Mr. Norman W. Sterling): Before we go into the auditor's follow-up report that he did on the original audit, I just have a process question I would ask of you. Given that the report you're referring to, the original report of the auditor—I think it was the first report that a committee of the Legislature tackled after the expansion of the Auditor General's jurisdiction into school boards, hospitals etc. The committee took a bit of a different tack. Normally we table our report in the Legislature and then wait for responses from the ministry to flow back to us. In this instance, the committee asked me to write to each board across Ontario and copy not only the director but the chair of the board, as well as ask each school board to post on their website their particular policies with regard to some of the issues that were dealt with.

The question I have for you and for those directors of boards who are here is, in your meetings with other boards—not the ones that were audited by the auditor—did this have, in your experience in talking with other people, much impact on those other boards? Can you recall discussions with other directors about this particular issue and whether or not the work of the committee and the method of promulgating the recommendations was the right way to go? Or is there another suggestion you might have?

Mr. William Tucker: I can relate my own personal experience coming into the role of director. I came in very close to the same time as the director of our co-terminous board, and during our introductory meeting, one of the topics we did discuss was the auditor's report and the implications for both school boards. We have shared best practices, and we continue to dialogue every once in a while. Wilma and I do meet on a regular basis. At the outset of our introduction into both roles, it was the focus of one of our conversations.

Ms. Jean Hanson: I think just saying that both formally through the Ministry of Education—and we certainly received some expectations from the ministry as a result of the process—so both formally and informally. Perhaps a most recent example is a public code meeting, where this experience that we're having today is on the agenda as a shared experience, and we'll go back and share it with our colleagues. So that's the informal sharing of the process and the contents of the report.

Ms. Susan LaRosa: I would concur with what was said. I think it was a positive experience, and with our conversations with our colleagues and so on, we saw it as something that—it's always good for clarity on procedures and so on, and it was always in a positive light. The ministry has really worked co-operatively with school boards to help them, because 72 school boards were at a different stage when that report came out. So I have to commend the ministry for working with us. They worked with us where we were and moved us forward.

The Chair (Mr. Norman W. Sterling): Ms. Sandals, do you have some questions?

Mrs. Liz Sandals: I think I saw Ms. Naylor's hand up.

Ms. Nancy Naylor: If I could just add something from the perspective beyond the four boards here, I think that at the time you wrote to the ministry asking how many of the boards had posted their expenditure guidelines, all of these four boards had been quite quick to respond to that requirement by the ministry. I think that at the time we responded to you, we had 56 of the 72 boards that had posted, and we had been in communication with the others.

I think it was certainly helpful that your letter went to all boards, but in our follow-up we did emphasize that it is extraordinary for the Chair of this committee to have to write to individual broader-public-sector transfer partners. It did help achieve full compliance across the school boards, but certainly our message to them was that it shouldn't take a letter from yourself or your office to do that. I would say that we never get resistance from school boards to improving management or demonstrating better stewardship of resources; sometimes it's just a question of priorities and the nudge or the suggestion from the ministry that this has to move up the to-do list and get done as a matter of public confidence.

The Chair (Mr. Norm Sterling): Thank you. Ms. Sandals?

Mrs. Liz Sandals: Yes. I have some questions and then Mr. McNeely has some questions.

One of the things that's been mentioned both by the auditor in our conversations earlier this morning and Bill—you just mentioned it, I think—is the whole operational review process that the ministry has been going through with boards. I wonder if either Ben or Nancy would like to talk about that from the ministry's perspective, and then if there are any of the boards that have actually been on the receiving end yet, that would be helpful to give us a sense of what's going on there to help boards with better management in financial practices.

Mr. Ben Levin: Let me start, if I may, and then I'll ask Nancy to comment, because she knows much more about them than I do, but she'll be excessively modest if I leave her to speak to it.

In my previous tour of duty as deputy, as we were working on the student outcomes agenda and the improving of student outcomes, we increasingly came to realize how closely that was connected to having very good administrative operations in boards, so how much the ability to run really solid payroll, HR and transportation allowed boards to focus on their primary business, which is helping students do better in schools.

Partway through that time, Nancy came to me with the idea of doing the operational reviews. I thought it was a terrific idea at the time, and I give her full credit for it. Since then, she and her team and the director of that unit, Cheri Hayward, who is here and who has led that, have worked very closely with the boards to look at back-office functions. I believe my colleagues in this sector would agree that that's been a process that has helped everybody up their game in a positive and supportive way.

I'll ask Nancy to speak a bit more about where we are in that process, because we haven't gone through all the boards yet.

Ms. Nancy Naylor: Right. So this is a project that we anticipated would take three years. It was intended to provide a comprehensive definition of leading practices in all the non-academic business functions of school boards.

School boards have management responsibilities of a very large scale in finance, in human resources, in facility management and also in transportation, although that was out of the scope because that's the subject for a separate project. What the operational review project did was work with consultants, school boards, trustee associations and others to define the leading practices in those lines of business. Then, consulting teams from two separate firms visit each school board and do a two- or three-day engagement. They review a lot of material beforehand. Then they produce a report that's typically 40 to 60 pages that gives the board feedback about where they stand in their own practices in relation to these leading practices.

It's been very good feedback for the boards that have gone through the review. We expect to have finished 30 reviews by July. It's also proved to be very influential because boards who haven't been reviewed yet are looking at the leading practices and using them as a self-assessment team. It is our sense that it is strengthening management. It's been done in a collaborative way. Boards themselves have come to us to suggest upgrades to the leading practices. It's working very well.

Mrs. Liz Sandals: If any of the directors want to comment.

The Chair (Mr. Norman W. Sterling): Yes, go ahead.

Mr. Martyn Beckett: Thank you, Mr. Chair. I think the operational review was conducted formally for the several-day visit in my first week in my current portfolio, so it was an interesting learning opportunity as I took over the role—although I was involved in the preparation of the advance materials prior to moving into this portfolio.

1250

I fully concur with Nancy's comments that it was a wonderful opportunity for us to review our management practices. In some cases it was items that we could celebrate as a leading practice. Other areas showed things that we could be working on for improvement, and we've been working through some of those items as time has moved on. So we think it has strengthened our management practice, our non-classroom operational practice, as a board and we're very pleased now that we have gone through it. We have learned a number of very good things from the review.

Mrs. Liz Sandals: Because the committee members aren't all going to be familiar with the operational reviews, could you give us some examples of specific areas or specific items where you are able to say, "Yes, we're doing well," or "Here's room for improvement"?

Mr. Martyn Beckett: Certainly.

In our technology field, we have a highly standardized model and a very tight image that we use in our networking. I think that's a leading practice.

An area for improvement was the review of policies and procedures at the board level. As per the recommendation of the operational review, we have greatly expanded the provision of our policies, procedures and regulations to our public website, and that was completed fairly recently. We had a number of items that were on the public website, but we have greatly increased that availability and made it fully searchable. So we think that's something that certainly strengthens public confidence in what we're doing, and it increases transparency for us as a board. It's a very good thing that our community can easily access things. As part of that process, we have also implemented a much more standardized review of all policies, procedures and regulations with individual superintendents, including myself, responsible for the annual review and any necessary revisions to bring before the board.

Mrs. Liz Sandals: Bill, I think you indicated you had worked through it too.

Mr. William Tucker: Yes, we did engage in a formal operational review. We were very, very pleased with the results. It was an intense three or four days, wouldn't you say, Brian? But at the end of it, there were very few recommendations. The one recommendation that we are investigating and following through with is the attendance management program through our human resources department.

One of the areas that we were particularly pleased with was around governance and the role of trustees and senior admin. It was very consistent with what has flowed out of the government lately, so we're very pleased with the result.

Mrs. Liz Sandals: Susan, you've done it too?

Ms. Susan LaRosa: We're not involved yet in the official one. We were the pilot prior to it becoming official, so we had the opportunity to give advice to the committee. We put it together in July, before it started, so it was pretty hectic at the time, but we really appreciated the opportunity to share with the committee. So I think we're on the bottom of the list when it comes back.

Mrs. Liz Sandals: So when they get to you, we'll know we're all done.

Before I pass over to Mr. McNeely, one area where I think the ministry has also been doing a lot of work is in the whole area of board audit committees. Again, it might be helpful if Nancy were to lead off there around audit committees, and then if any of the boards have any comments, that would be useful. I know from experience that there aren't a lot of boards that historically have had audit committees. They probably have finance and budget committees, but fewer would have audit committees.

Ms. Nancy Naylor: Audit committees is an initiative that we are encouraging, and it did come out of the operational reviews. After the first year of reviews, we identified areas where a number of boards had had recommendations for improved practices. Again, this is

where the consulting teams brought sort of first-quartile management practices, and we wanted to use them to benchmark school board management practices to those external standards. So audit committees were not a dominant feature of school boards, but more boards had budget committees or finance committees.

Since the recommendation, a lot of boards have initiated, on their own, audit committees to be established with external representatives from the communities who can sometimes bring financial or legal expertise to round out the experience of trustees. We are supporting that. We did announce some money for the creation and support of internal audit capacity and to support the establishment of external audit committees in this year's GSN announcement. We announced \$2 million, which will mature at \$5 million.

We are also very cognizant that the governance review committee, which provided their report to the government just recently, did recommend that audit committees with external members become a feature of school board governance. The government will be responding to that report in the near future.

Mrs. Liz Sandals: Do any of you have experience with audit committees—Bill?

Mr. William Tucker: At the time of the operational review, we were actually in the process of setting up an audit committee with two external members. I believe one member is a professor at the Ivey school at Western, and the other external member, Brian?

Mr. Brian Greene: Just the community member.

Mr. William Tucker: The community member.

I can attest to one area that I'm very pleased with, in terms of anteing up their responsibility in the accounting process. After we've done an internal review of a school, I wait until the principal has responded to the auditor's recommendations. After I receive the principal's response, I meet with the executive superintendent of operations and the superintendent of the school, and we map out a game plan. The superintendent of the school goes back and verifies that what the principal said would be done is, in fact, being done, with evidence of that. Then I report back the results of those meetings to the audit committee.

From my perspective, in terms of accountability, that has really upped the ante in terms of transparency. With the community members present, it's a verifying factor for the trustees who are part of that committee as well. In general, we have found it just an outstanding committee, and just a high-level result from the operational review.

Mrs. Liz Sandals: Susan, I think you indicated—

Ms. Susan LaRosa: We've had an internal audit department for a number of years, and we have an audit committee. Right now, we're in the process of discussing external representation on that committee, because we haven't had that, but the committee has been in operation for years. We don't have external representation, as I say, but we do have federation members who sit in on the committee and observe, and they have all of the document.

Mrs. Liz Sandals: Which will be an interesting process.

The Chair (Mr. Norman W. Sterling): Mr. McNeely.

Mr. Phil McNeely: Thank you, Chair. I guess my question for the ministry staff would be about the policy memorandum on expenditure guidelines that was issued in 2006, and we still see expenditure issues in many school boards. Do you think guidelines are enough? Are they satisfactory? Is that getting to where you want it?

Mr. Ben Levin: I'm not sure I entirely understand the intent of the question.

Mr. Phil McNeely: The expenditure guidelines have been successful to a certain extent, but is that sufficient to get the accounting at the school boards to the level you wish to have it?

Mr. Ben Levin: I would say that our strategy around improving what happens in the sector always involves more than policy and direction. What we've learned on all fronts is that to change what people actually do, you have to start with some clear policy direction, but then you have to do the work of helping people build the capacity and the understanding that they need to do that. That's what the operational reviews are about, that's what the audit committees are about, that's what our work with COSBO has been about: helping people in the sector understand what this needs to look like.

Our boards across Ontario are, as you'll know, highly variable in size, scope and sophistication. So what will be appropriate in some of the large boards that are at this table would perhaps look quite different in a much smaller board. I think our strategy has been that we want to be quite clear on the policy direction, and then we want to work with people to help them understand and build the capacity to do that work. It always works better if people at the local level are committed to it, understand it and own it. That's how you get real compliance.

Mr. Phil McNeely: I'm sorry; I was 10 minutes late, and this may have been covered. The audit report, 2008, has all but one board posting its information on the website: "The ministry has continued to monitor school board websites and, as of August 2008, 71 boards had posted their policies in all four areas." What board did not? Why did they not?

Ms. Nancy Naylor: I think Simcoe Muskoka Catholic was the last board across the line, in terms of posting that. I think that board was certainly very happy to do that, but they just had not recognized the need to do that in as timely a way as other boards. They have now posted their guidelines on the Web, and we consider them to be in compliance with our expectations.

1300

Mr. Phil McNeely: I had no other questions, Chair.

The Chair (Mr. Norman W. Sterling): Do we have some questions over here? Mr. Marchese.

Mr. Rosario Marchese: I just want to congratulate the ministry and most of the boards that were affected by, or were part of, the review, because what the auditor revealed is that most of you have done a great job in

responding to that. I almost said, "Why are we here?" But it's good that people have responded well. From all the comments, it is clear that there has been good success over the whole process.

By the way, I like this process. It works for us, and I think it keeps everybody on their guard, as I think we should be.

Just to follow up on some of the questions that were asked by Ms. Sandals: With respect to the operational review and the whole issue of procurement practices, does the operational review deal with procurement practices?

Ms. Nancy Naylor: Yes, it does.

Mr. Rosario Marchese: It does. How many boards have been reviewed, and what have been the results with respect to their procurement practices? Do you know that?

Ms. Nancy Naylor: We'll have completed 30 boards by this July. We've completed 19, and those reports are posted. We're just finishing the drafting of the reports on the others.

In general, purchasing practices have been adequate and they've met the leading-practice expectation in the sense that the expectation is that they be open and transparent, that if there is a supplier contract, it be regularly renewed at an appropriate time interval, and that efforts are being made to purchase in consortia to achieve efficiencies. That is our starting standard, and we do have a number of ambitions about taking that further.

Mr. Rosario Marchese: So it's a three-year process. I'm assuming it started this year.

Ms. Nancy Naylor: Two years ago.

Mr. Rosario Marchese: Two years ago. That has covered 30 boards so far, in terms of this operational review. So by next year we will have covered all the other boards? Is that the way it works?

Ms. Nancy Naylor: We expect to cover most of the other boards in the remaining time. It may be that we have a few more boards to finish in the fourth year. Part of the process is also a return visit to every board that was reviewed. We did take a little longer at the beginning of the project to define the leading practices. I think that was a lesson learned. We thought those would be quite easy to capture and get down on paper; in retrospect, we did take a little bit of a longer time to capture that, and we feel that was time well spent because it was—

Mr. Rosario Marchese: Sure. It always takes longer than you think.

Ms. Nancy Naylor: Yes, exactly.

Mr. Rosario Marchese: You talked about leading practices. In what areas, specifically? Do you have a list?

Ms. Nancy Naylor: Yes, and we'd be quite happy to table that and provide—

Mr. Rosario Marchese: I'd be happy to see it.

Ms. Nancy Naylor: Absolutely. We cover four areas: We cover governance, finance, human resources and facilities. Those are the main non-academic lines of business. The academic performance of the board is out-of-scope for the purposes of this project.

Mr. Rosario Marchese: Sure. And who was involved in this review—just some people were involved in this review? Who makes up this review team?

Ms. Nancy Naylor: It's a project team. Staff in our division of the ministry have—

Mr. Rosario Marchese: How many?

Ms. Nancy Naylor: How many? Cheri Hayward is the director of the school business support branch. She's here with us today. She has two analysts who help coordinate the work of that board. In the initial year of the project, we also had the assistance of a senior business official from a school board to help bring that credibility—

Mr. Rosario Marchese: One school board?

Ms. Nancy Naylor: One school board. We worked with the consultants from two firms, Price Waterhouse and Deloitte. We also had an advisory committee that included the trustee associations—

Mr. Rosario Marchese: And how many people were involved from that?

Ms. Nancy Naylor: About 12.

Mr. Rosario Marchese: Representative types from all over Ontario? Is that the idea?

Ms. Nancy Naylor: Yes, that's right. We'd be happy to table the membership of the advisory group as well.

Mr. Rosario Marchese: It would be good. Whatever documentation you have on this might be helpful to us all, so whatever—either a summary or the report; I think that would be good for us.

Mr. Ben Levin: Nancy and some colleagues wrote a paper on this a couple of years ago. It was updated a year ago for a conference presentation and would be good because it provides the whole rationale and the thinking behind it, so we could table that as well.

Mr. Rosario Marchese: Okay; that would be helpful.

In terms of procurement practices, do boards always have internal auditors that monitor that, or no?

Ms. Nancy Naylor: Some of the larger boards have an internal audit capacity; others rely more on external audits. But one of the initiatives we're launching this year is an investment to make sure that internal audit capacity is available to all boards. That may not mean placing staff in all boards. Some boards are too small for an internal auditor to really function on a part-time basis, so we're working with the boards to design a lead-board model or perhaps a regional model.

Mr. Rosario Marchese: And where boards didn't have the ability to have their own auditor, did they rely on outside auditors at all times, or some of the time, to review procurement practices? Do we know any of that?

Ms. Nancy Naylor: To my knowledge, I haven't heard of a board asking their external auditors to review procurement specifically, in what would be called a specified procedures audit. However, external auditors are now required to attest to the strength of internal controls in a school board, so that would be within the scope of that attestation.

Mr. Rosario Marchese: Have boards instituted any measures to ensure adherence to the policies in the four areas covered by the ministry expenditure guidelines?

Ms. Nancy Naylor: Sorry, I didn't catch the very first part of your question.

Mr. Rosario Marchese: How do we ensure that boards adhere to these policies? Is there a built-in process that you rely on? Do you monitor that on a regular basis? Do they do that? Do they report to you? Do we have such a procedure in place?

Ms. Nancy Naylor: I think, actually, again, we would probably speak to the operational reviews, because one of the things that is being tested in those reviews is not only whether the policies are in place, but whether they are reviewed and refreshed on a regular basis; and thirdly, and perhaps most importantly, whether staff are regularly trained on them.

For example, our entire ministry, including senior managers, went through Pcard training. We've had established Pcard policies for many years, but it's an important leg of the stool, so to speak, that we also refresh the training and remind people what their responsibilities are. That's part of the culture that we're reinforcing in school boards. Many school boards actually do that, but it's a reminder, too, that that takes vigilance.

Mr. Rosario Marchese: With respect to expenditure guidelines, I'm assuming the operational reviews are the ones that would deal with the ongoing monitoring of these issues as they relate to travel, meals, hospitality, advertising, credit cards and all that. The operational review would ensure adherence to best practices?

Ms. Nancy Naylor: That would be one means, but I think also really through management oversight of the director and the senior management team and the trustees that policies of the board are being adhered to. Certainly, expenses are such a high-profile topic that many directors regularly remind their trustees about it. Actually, this is an area, perhaps, that I know the board directors could speak to with examples.

Mr. Rosario Marchese: If they would like.

Ms. Susan LaRosa: Certainly. We have clarified and put more detailed policies in place, and it's certainly my role to ensure that they're followed in the board. Just recently, I went through two years of trustees' expenses and noticed that we needed to have better clarity, so we had a trustee opportunity, a retreat, and we looked at those so there was clarity, so there wouldn't be any grey area in whether or not things could be expensed. It's something that we do on a regular basis.

Ms. Jean Hanson: We likewise are in a process of looking specifically, in this example of trustees' expenses, at adding clarity. We have an absolutely-no-problem list and an absolutely-never list, and under certain circumstances, an approval process for any exceptions. We have put things under the microscope because of the work that the ministry is doing with us.

Mr. William Tucker: If I might, this is part of our internal audit process. We're one of the boards fortunate enough to have an internal auditor who we've hired lately, and we're very pleased about that, but we have three levels where there is accounting taking place in terms of accountability. One is that our finance staff re-

view expenditures on an ongoing basis; they're reviewing those expenditures daily. Our senior administration must approve that, and then it comes to the director. So we have three levels, administratively, where purchases are reviewed.

In terms of trustees, we've provided in-service to trustees, and on the very rare occasion a trustee expenditure doesn't meet the internal requirements, it's kicked back to the trustee.

1310

Mr. Martyn Beckett: I would concur with my three colleagues previously. We have an internal auditor in our board, and that person works very effectively to audit and monitor school-generated funds through our board. That's the primary area of focus.

Through management oversight, I think we have very strict controls on all levels of the organization. I have personal responsibility for viewing expenses of all superintendents. It would be no secret that I follow up with individual superintendents if the appropriate documentation is not present or if there is any question in my mind arising from reviewing it, or if there is a question regarding following of policy or procedure. The appropriate paper trail and full compliance is maintained at all times for our own internal purposes.

Mr. Rosario Marchese: Thank you. There was an earlier question asked by Mr. McNeely with respect to the memo issued in 2006 on expenditure guidelines, and evidently we read a line here that says that it would work with boards "to develop more guidelines for other areas of expenditure in the future." What other guidelines and what other expenditures in the future are we talking about?

Ms. Nancy Naylor: We have had a process under way to develop a guideline on trustee expenses, and we've been working with the trustee associations for a number of months on a proposed guideline. They've given us feedback, so we expect to finalize that in the near future and release that to the sector.

Mr. Rosario Marchese: Is that what you mean by "develop more guidelines for other areas of expenditure"?

Ms. Nancy Naylor: Right. At the moment, that's the only other formal guideline that's in place. We are working with organizations like OECM to develop supports for purchasing, and that will include guidelines and standards as well. As well, I'll just quickly mention that the Ministry of Finance is leading an effort on supply chain guidelines. They released their supply chain guidelines on April 30. That will also become a guide to the sector and to the ministry in terms of how to conduct purchasing.

Mr. Ben Levin: If I could make a comment on that, school boards, many of them, are now very large operations in Ontario. I think what we've begun to pay more attention to over the last few years is that, although their primary business, of course, is, and should be, the education of students, they are among the biggest property managers, among the biggest employers, among the big-

gest transportation operators in the province. So I think all of us collectively, the ministry and the boards, have begun to say that we have work to do around ensuring that we do those in a really successful way. If we were a corporation running a property operation the size that some of our school boards are, then most corporations doing that would actually, frankly, have more people doing that work than most school boards have doing it.

Mr. Rosario Marchese: We don't disagree.

Mr. Ben Levin: So that's been part of the focus of just, as I put it, upping our game in all of those areas, and the school boards have been very anxious to do that because it allows them to focus on their core business as well.

In terms of guideline areas, though, there are a number of other areas where we're working with the sector to look at what would be good practices. For example, with the whole growth of interest in green practices, and suggestions being made that schools should have green roofs or they should have solar panels or they should have whatever, we're working with the sector around helping to define what we actually know about energy efficiency practices and which ones are the best. I can point to York Catholic as a board that's done a lot of work on defining energy use in the board and looking at how much you save if you implement whatever the practices are and then sharing that across the sector. Another one would be IT. Boards are very big purchasers of computers and other IT services. So we have the boards working collectively together with us to say, "What is good practice?" I think Martyn referred to that in his comments about the way they do it in Durham.

So it's not necessarily a matter of issuing guidelines as it is a matter of bringing the sector people together and saying, "Let's work together on this so that we all use our money as effectively as we can."

Mr. Rosario Marchese: Sure. That sounds good to me.

With respect to expenditure guidelines, some boards have more detailed expenditure guidelines than others. Does the ministry worry about whether or not there's some consistency around the guidelines, or does it not concern you? Or is it really not an issue?

Ms. Nancy Naylor: Certainly, it's something that we have been supporting. We do have staff who have been monitoring as the boards have finalized their guidelines and posted them on the website, in part because we're looking for best practices, in part because we wanted to identify good examples for boards that were struggling a little bit with the art of defining their policies. Boards were very generous in offering their policies to be adopted by others as models. We are actually quite comfortable that boards have sound policies that reflect our expectations in most of the areas: the use of credit cards, travel, meals, hospitality and advertising.

The guideline that generated perhaps the most discussion between the ministry and the boards was the guideline around advocacy. Boards, in a sense, incorporated that expectation in different ways, sometimes

through an explicit stand-alone guideline, sometimes through a reference in another board document, mission statement or others, in terms of how they would participate in the policy process and the feedback to the government.

Mr. Rosario Marchese: Okay. You must have other questions. Do you have any? Because I wanted to ask—

Mr. Jerry J. Ouellette: Go ahead.

Mr. Rosario Marchese: The other question of interest to me is, because it was raised earlier on this morning, in terms of status of recommendations with respect to policies on gifts or recognition. The auditor noted in the status-of-recommendations update that two of the four school boards have established policies on gifts or recognition and two have not. Is that correct? Or have all four established policies?

Ms. Nancy Naylor: Perhaps the boards could—

Interjection: All of them.

Mr. Rosario Marchese: So you all have that now? You see, Auditor, it's getting better all the time, I'm telling you. Thank you very much.

The Chair (Mr. Norman W. Sterling): Mr. Marchese, are you finished? Mr. Ouellette?

Mr. Jerry J. Ouellette: Just a couple of quick questions. I think a lot of the questions have been answered about the review of the Pcards. My question would be, from what I'm seeing here, there are limits of purchases up to \$1,000 with the credit limits. Is there a breakdown of what the Pcards would be broken down into? How often are they used and for what sort of activities? Do you have breakdowns of those aspects? Who would typically be the recipients now, because I understand there are a lot of changes as to who the recipient of a purchase card would be?

Mr. Martyn Beckett: We have in our board fewer than 300 Pcards in use. A typical purchase limit is \$500 or so. A typical limit of a card would be in the range of \$1,000, though there is some variation around that, depending on the purpose of the card.

In terms of types of people who would be holders, a principal of a school, or there could be certain teachers in certain department areas that may have access to a Pcard in order to take advantage of things that are needed on an ongoing basis.

From our own perspective, our total expenditure on Pcards is less than \$400,000 annually, and there is very close oversight through our finance department as to what is purchased.

I don't have a breakdown with me on exactly what individual items would be purchased on what card, but they are quite limited in their use, and based on our past practice and oversight we have not encountered problems with Pcards.

Ms. Jean Hanson: Just a comment in general, that Pcards have added efficiency to our operations in terms of the processing, which in the past would have been through orders and many layers of papers. So we've been grateful to be able to implement them in our board.

Like the other boards, there are some restrictions. There are restrictions on travel and meals. Most people

don't have access to travel and meals on Pcards. We monitor very carefully those that are not being used and automatically discontinue any cards that have not been used in the past eight months. Then the person, when they realize that they've been discontinued, needs to speak to someone in finance, should they want the card reinstated. So we're quite attentive to the use of Pcards. Of course, in our ongoing procedures, every item is reviewed and backed by receipts and so on.

Mr. Rosario Marchese: Do you have a limit? You said you have \$400,000. Do you have a limit in terms of how much you can spend—

Ms. Jean Hanson: Sorry, I thought—

Mr. Jerry J. Ouellette: Your expenditure was \$400,000.

Mr. Martyn Beckett: I'll just verify. Like I said, the total amount—

Mr. Jerry J. Ouellette: Four hundred thousand per card.

Mr. Martyn Beckett: My goodness, it is certainly not. It's rather less than \$400,000 per card, Mr. Chair. The total use of the cards board-wide across all 135 school and board operations is less than \$400,000. We have less than 300 Pcards in use throughout the board. But I was giving as a limit—\$1,000 would be a typical sort of limit, although I indicated there was some variability around that. But an individual expense would not be exceeding \$500 total.

1320

Mr. Rosario Marchese: Do you have a total amount in terms of—

Ms. Jean Hanson: Sorry. I don't have that with me today. I'll be happy to provide it.

Ms. Susan LaRosa: Our Pcards, as well, have restrictions. I believe the principal has a \$500 limit. Obviously, the limit is higher on the director's Pcard. They're monitored monthly. We have some cards that aren't used often. However, it facilitates the learning environment when the principal feels that there's a good deal that's going to make a difference and they can go out and use the Pcard and take advantage of that good deal rather than wait and process it through a purchase order.

Ms. Jean Hanson: Sorry. I might have misunderstood the question. We do have individual limits that range—

Mr. Rosario Marchese: No, I wasn't concerned about the individual limits, although that's a good question too. The total amount is what—

Ms. Susan LaRosa: In recent history, it's probably between \$400,000 and \$500,000 a year.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette?

Mr. Jerry J. Ouellette: Obviously, from what I'm hearing, there's been an adequate review. In the past, there was a concern that there wasn't a strong review. It appears to be clarified and moving forward everywhere.

The Chair (Mr. Norman W. Sterling): Mr. McNeely, you had a question?

Mr. Phil McNeely: Just what the deputy minister raised—I'd like to just ask a question around that or make a statement around that.

The green practices: Just for our school boards, I think there was a \$25-million announcement last week. As you say, a lot of it is complicated and difficult for individual boards to get going properly.

What the colleges have done is formed a secretariat. We were up at Humber College, and I think Seneca College was there as well, and many people were sitting around the table telling us what they had done. I think it's just amazing what they have done within the colleges. They can monitor electrical use anywhere in the system, whether it's a room, a building or a campus, and they've done it right across the province. I think it's extraordinary. This was an hour's presentation. It may not be as good as that.

But I think if you're going to get into the complex energy efficiencies—my background is as a consulting engineer—if you do it on the same basis so that each of the 72 boards are not reinventing the wheel and are working together on this. I'm just wondering if there are any steps that have been taken to work at the all-board level for the energy efficiencies.

Ms. Nancy Naylor: We're delighted to speak to this topic because it's one that we have great enthusiasm for. We have a number of initiatives under way.

I want to acknowledge the college sector's green secretariat. We have met with them. You're right, they do have a very impressive range of initiatives under way, and every college has a number of examples. So they're certainly a great source of ideas and advice for us.

I will also say that school boards have been leaders in this as well, and some of them have really been stellar. They've been contributing to a number of projects that we're leading at the ministry level. We are developing our own utility database. We are creating an inventory of green initiatives similar to the colleges' inventory. Cheri and her team are leading a green clean study that we think will be a model for other sectors as well, in terms of what type of materials you can use to clean a school that are environmentally friendly and respect student allergies and that kind of thing.

We have also seconded, with the help of Susan La-Rosa's board, an individual named Norm Vezina, who is our energy conservation officer, in part because he's done such a stellar job in York Catholic.

I want to mention that all of these boards in their own way have done some extraordinary things on green schools—and they certainly can speak to them. Jean's board, Rainbow, has built the Valley View school and is completing a really green school in Lively, Ontario. Bill Tucker's board is contributing an expert to our expert panel on capital standards that the deputy referred to. That's a group of individuals we've pulled from school boards who collectively have built more than 1,000 schools in the last 10 years. Their depth of knowledge is tremendous and they are very enthusiastic about how to build a school well, how to build it cost-efficiently, on budget, but also in a way that lowers the energy demands of that school. Typically, we hope that boards are building, at a minimum, to 25% below the model national energy code for buildings. We are hearing about results

that are even 60% and 70% below. So boards are certainly building on their repeat knowledge and repeat designs to improve energy performance with every school they build.

Mr. Phil McNeely: Just to add that the new schools are something where the retrofitting has to be the major areas where you're going to get your energy savings, and what the colleges have done—I know the Green Energy Act; I'm the parliamentary assistant to George Smitherman on it, and the MUSH sector is the next area we're going to go into. But I think the colleges are right where all of the MUSH sector should be. It may not be as applicable for boards, but I really like what they've done. It was well worthwhile to get that full presentation from Humber, which I know some of you have participated in. Certainly, the Ontario Power Authority has been a driving force in working with them.

The Chair (Mr. Norman W. Sterling): Ms. Albanese?

Mrs. Laura Albanese: I had a question in regard to expenditure guidelines. I know that some are more detailed than others and, at the same time, the ministry considers them all consistent. Why are they different? Could they be more consistent?

Mr. Ben Levin: I think they're different, in part, to reflect the very different sizes and operations of different boards. We have districts in Ontario that have thousands and thousands of staff, several hundred schools, and in organizations like that you probably require a level of detail in your policy because, frankly, you can't get all the people into a room to talk about it.

We have other boards where all the principals in the board are able to meet, and do meet, every month. So there is a level of understanding of common practice, of compliance with and acceptance of it, that just comes from people being with each other all the time. Therefore, it seems kind of unnecessary to put it all down in writing.

I think if we did elaborate them across all the boards, they would be highly consistent, but our boards are just so different in their sizes that it doesn't make sense to insist that every board have the same level of detail and sophistication in its policies. What they need is adequate policy and adequate controls to match their circumstances.

Mrs. Laura Albanese: And how does the ministry ensure that the consistency is there if they are so varied?

Mr. Ben Levin: I'll ask Nancy to comment on this as well, but it happens in part now through the operational reviews; it happens through audits, because all boards are subject to audits, and their external auditors will be looking at those practices and commenting on them. We see all their external audits. We do reviews of their budgets. One of the things the ministry will do every year is look at boards where the pattern of spending seems quite out of sync with what the averages are across the province and start to ask, "Why is that? Why are you spending a lot more than others?" We can do that in many areas, and we indeed do that. That's not to say that a board is wrong

to do that; they may have a very good reason for it. We just want to know what the very good reason is.

There is a huge amount of back and forth between boards and the ministry on financial and operational issues. I would say that the ministry staff have a pretty good understanding of where most boards are in their management and operational practices at quite a level of detail.

Mrs. Laura Albanese: And is the ministry developing any other guidelines for the future?

Ms. Nancy Naylor: I think the one guideline that is in development is one on trustee expenses. That's been the subject of consultation work with the trustee associations. They've given us feedback. All four trustee associations have endorsed a draft guideline, and we expect to finalize it and release it in the very near future.

Mrs. Laura Albanese: When do you expect that to be finalized?

Ms. Nancy Naylor: We think in the coming weeks would be the probable timeline. We've just received from the last trustee association their feedback. We wanted to respect their process so that they could consult with all of their member boards.

Mr. Ben Levin: Usually by the time a guideline comes, we'd like to be in a situation where everybody in the sector understands it, supports it and sees it as something that they're committed to doing, as opposed to issuing a guideline that people look at and say, "What is this?" So the consultation process is as important as the guideline itself, frankly, because on trustee expenses it's as important to have trustees' voices in that and their understanding and their acceptance. Then people own it, as opposed to it being a piece of paper from the ministry.

The Chair (Mr. Norman W. Sterling): Mr. Marchese.

Mr. Rosario Marchese: I wanted to follow up on the purchasing card, by way of questions. Who determines the total amount that a board can spend by way of the use of these purchasing cards? Who determines it and how do you determine the amount?

Ms. Nancy Naylor: I would just say that this is something where a board sets their own policy for who has purchasing cards—

Mr. Rosario Marchese: By "the board," you mean board of trustees?

Ms. Nancy Naylor: Yes, by the school boards individually.

Ms. Susan LaRosa: The purchasing card is only the tool to be able to access the budget that has been approved by the board. The budget has been set, so it's not sort of a set amount over here for purchasing cards. It's just a tool to be able to access the funds out of the budget.

Mr. Rosario Marchese: I understand, but Martyn Beckett knew that there was a \$400,000 ceiling—

Mr. Ben Levin: Not a ceiling.

Mr. Martyn Beckett: That is correct.

The Chair (Mr. Norman W. Sterling): It doesn't matter whether it's written by a cheque, cash, petty cash or a credit card—

Mr. Rosario Marchese: I understand. What's the point?

The Chair (Mr. Norman W. Sterling): There's no limit on the amount that any board would rationally make on the use of a credit card, because it doesn't really matter whether the transaction is one way or the other.

Mr. Rosario Marchese: As I understood it, there is a ceiling in terms of what can be spent, in terms of total amount. You didn't understand it that way? Perhaps he'll explain again.

Mr. Martyn Beckett: May I, Mr. Chair? The example that I was giving was strictly just as a sample across the number of operations that we have in Durham, the total amount that is spent. I apologize if the interpretation was that I was providing an upper limit on it. I agree with my colleague director who says it's a means of accessing the approved budget.

Mr. Rosario Marchese: I understand that.

Mr. Martyn Beckett: I'm just providing a bit of context around the use of it.

Mr. Rosario Marchese: Okay, so in some school boards, then, a principal can access \$500, in some others \$1,000, and it's all relative to the total amount that the board has to spend. How does that work? Do we know? Do I know? Do you know?

The Chair (Mr. Norman W. Sterling): Mr. Tucker.

Mr. William Tucker: I could use a specific example, when I was the principal of a school. I'm allocated, a small elementary school, perhaps \$40,000 for operational expenses, and then allocating to the different divisions—a total amount of dollars for operational expenses—supplies and services, textbooks, materials. So the staff would have the opportunity to purchase the materials that were necessary for the classroom up to a spending limit. They could not spend any more than \$250 at any particular time. So they couldn't go to Staples and buy \$300 worth of expenses. Once they reached that limit, the budgeted amount for that division, they wouldn't be able to purchase any more.

Mr. Rosario Marchese: Right. I understand.

Mr. William Tucker: So there was no pre-determined ceiling other than the budget that was allocated.

Mr. Rosario Marchese: That was made clear.

Mr. William Tucker: Correct. So there are determined ceilings as to what can be spent at any one time. For example, superintendents have a \$1,000 ceiling on any one-time expenditure; department heads may have a \$500 ceiling, as with principals. So those are determined by board policy.

Mr. Rosario Marchese: Okay. A few other questions that were raised in the report.

One board still has 1,000 purchasing cards that should be investigated to determine if they need to be maintained, because of little or no activity. Maybe it was answered by one of you; I don't know. The board was in the process of contacting cardholders to see if these cards were still needed. Has that been dealt with?

Mr. William Tucker: That was most likely our board. That has been dealt with. We have contacted those

individuals, and purchasing cards that were used very infrequently or not at all have been withdrawn.

Mr. Rosario Marchese: Okay. And the auditor noted that 152 of another board's 820 issued cards have been used to purchase \$50 or less in one year. Does the ministry know if these boards have since cancelled any inactive cards? Or can the board tell us?

Ms. Nancy Naylor: I think the boards can answer that question, actually.

Ms. Susan LaRosa: I think that's the Catholic board, and we're paying attention to the cards that aren't being used. Again, I say that the cards are to facilitate—

Mr. Rosario Marchese: Yes, we understand that.

Ms. Susan LaRosa: And so therefore sometimes it's important that they have the card, even if they don't use it often. But we're monitoring those cards on a monthly basis and we're trying to streamline it. We're up to 800.

We really don't have 800, but we switched from CIBC to another firm, so therefore we had a lot of cards out there. We're down to 500-and-some now, so we cleaned that up.

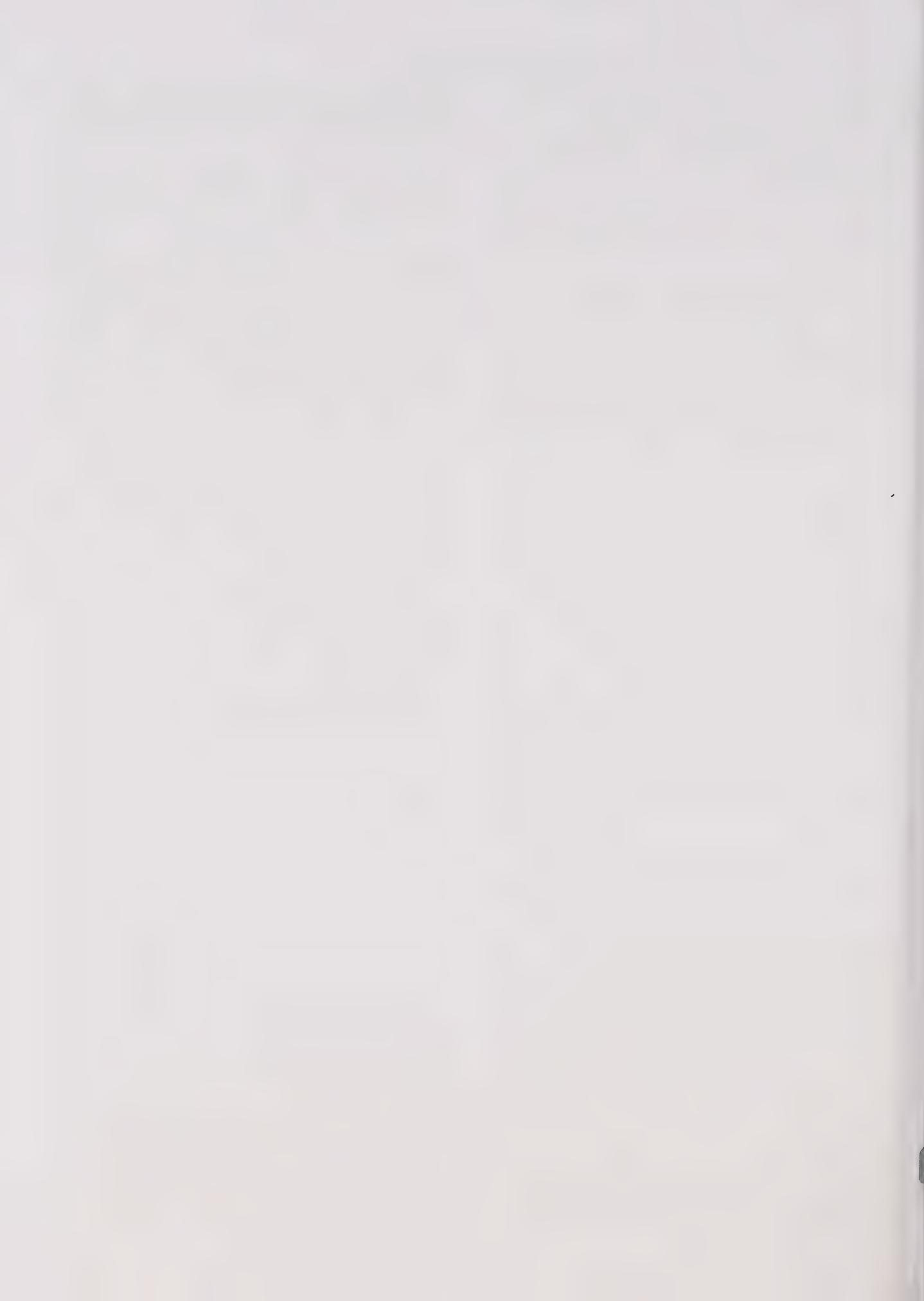
Mr. Rosario Marchese: Okay, thank you.

The Chair (Mr. Norman W. Sterling): Any further questions?

I'd like to thank you all for coming. We're very interested in hearing the results of our recommendations from before, and thank you very much for complying with all of those recommendations. I'll ask members of the committee to wait a few moments after the room clears, and we'll instruct our researcher as to what we might include in a report, if there is one.

Thank you very much for coming.

The committee continued in closed session at 1332.



CONTENTS

Wednesday 6 May 2009

2008 Annual Report, Auditor General: Section 4.11, school boards— acquisition of goods and services.....	P-359
Mr. Ben Levin, deputy minister, Ministry of Education	
Ms. Nancy Naylor, assistant deputy minister, elementary/secondary business and finance division, Ministry of Education	
Ms. Susan LaRosa, director of education, York Catholic District School Board	
Ms. Jean Hanson, director of education, Rainbow District School Board	
Mr. William Tucker, director of education, Thames Valley District School Board	
Mr. Martyn Beckett, director of education, Durham District School Board	
Mr. Brian Greene, executive superintendent and treasurer, Thames Valley District School Board	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York–Sud–Weston L)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Ms. Laurel C. Broten (Etobicoke–Lakeshore L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Also taking part / Autres participants et participantes

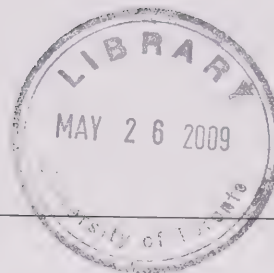
Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services



P-21

ISSN 1180-4327

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 13 May 2009

**Journal
des débats
(Hansard)**

Mercredi 13 mai 2009

**Standing Committee on
Public Accounts**

2008 Annual Report,
Auditor General:
Ministry of Training,
Colleges and Universities

**Comité permanent des
comptes publics**

Rapport annuel 2008,
Vérificateur général :
Ministère de la Formation et des
Collèges et Universités

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 13 May 2009

Mercredi 13 mai 2009

The committee met at 1230 in committee room 1, following a closed session.

2008 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF TRAINING,
COLLEGES AND UNIVERSITIES

Consideration of section 3.08, employment and training division.

The Chair (Mr. Norman W. Sterling): Good afternoon. My name is Norman Sterling. I'm the Chair of the public accounts committee, whose task is to take sections from the auditor's report—today we're dealing with section 3.08, employment and training division of the Ministry of Training, Colleges and Universities—and to put forward suggestions and recommendations so that the efficiency and effectiveness of our public service can improve and meet some of the observations noted by the Auditor General.

We have with us today Deborah Newman, who, as I understand it, is the relatively new deputy minister of the Ministry of Training, Colleges and Universities, and she has some other people with her. Deputy Minister Newman, I would ask you if you have some opening remarks, and perhaps you would be kind enough to introduce those who are sitting with you at the table.

Ms. Deborah Newman: As the Chair indicated, my name is Deborah Newman, and I am the new deputy at the Ministry of Training, Colleges and Universities. I'm pleased to have the opportunity to meet with you today and to answer your questions.

I am joined by Marie-Lison Fougère, to my right, assistant deputy minister for the strategic policy and programs division; Kevin French, to my left, former assistant deputy minister for the employment and training division—Kevin has agreed to make a guest appearance with me here today. He has moved on to the Ministry of the Environment but has quite a depth of knowledge in this area—and Patti Redmond, director of the programs branch of the strategic policy and programs division. Other ministry staff are also present to provide more detailed responses, if helpful. Together we'll do our best to answer your questions today.

I do have some opening remarks.

The Ministry of Training, Colleges and Universities plays a critical role in the government's economic agenda

and educational strategy. The Ontario government continues to strengthen the province's economy by investing in the skills and education of our people. We're working to help laid-off workers, newcomers, job seekers, students and workers find the training and jobs that will help them achieve their goals. We work with employers to help them find employees with the skills they need. We provide incentives to encourage employers to hire apprentices. We work with communities to help them develop the skills and learning strategies that will attract jobs and investment.

The ministry's vision is for Ontario to have the most educated and highly skilled workforce in the world in order to build the province's competitive advantage. Our goal is to achieve this vision through best learning and labour market outcomes and highest participation rates and graduation rates in all forms of post-secondary education and training. These goals are ongoing, and that's because in the global marketplace our competitors continue to raise the bar higher. All industrialized countries, including newly industrialized countries, recognize the importance of skills and learning to economic success. So there's a global competition for skills. An economy with a highly skilled and educated workforce has an important competitive advantage.

Ontario has a dynamic economy. Even with the challenge of the global economic and financial storm, we're fortunate to have one of the most highly skilled workforces in the industrialized world. Ontarians didn't achieve that level of skills and learning overnight. It was achieved by government working with partners in the education and training community. It was achieved by the people of Ontario making individual decisions to keep their skills sharp and to recognize the importance of skills and learning to personal and professional success.

That's important because the demand for skills and learning continues to rise. Seventy per cent of tomorrow's jobs will require post-secondary education and training. That means my ministry must work with its partners to provide opportunities for lifelong learning and higher skills training to keep pace with technology and the global marketplace. That means helping learners of all ages. It means recognizing that learners require a wide range of skills, from literacy and foundation skills through sophisticated apprenticeship, technology and professional training. We must continually improve how we do our business, so that the people of Ontario can keep pace and our economy will remain strong.

1240

The financial and economic storm that has engulfed us should not blind us to the longer view. Yes, of course we must help individuals and families in need now, and that is what Ontarians would expect of their government. At the same time, we must look ahead. We must give people the opportunity today to develop skills for tomorrow. We must prepare people for the new economy, so that they can participate and contribute to growth when prosperity returns.

I'm proud to report that the ministry is making that contribution. There are about 100,000 more students studying at colleges and universities in Ontario, an increase of 25% over 2002-03 levels. Since 2004-05 there has been a 27% increase in maximum student assistance levels, while still limiting student debt for qualified students to \$7,000 a year. We're taking action to break down barriers to post-secondary skills and learning for aboriginal students, first-generation students, persons with disabilities and francophones.

Despite the challenge of economic change, we have met our targets for registering apprentices in 2008-09. In fact, registrations are up by 7% over the previous year. We've reached our goal of over 28,000 new apprenticeship registrations. In Ontario, there are 120,000 apprentices learning a trade today, which is nearly 60,000 more; it has doubled since 2002-03.

Registrations in the Ontario youth apprenticeship program increased to 25,000 last year from about 23,000 in 2005-06. We're recruiting more young people to become the skilled workers we will need tomorrow.

The number of people participating in the Ontario skills development program has increased 14% over the previous year, to 13,239. Job Connect continues to serve people who face barriers to finding work, those educated overseas and people participating in Ontario Works.

Of course, the state of the economy and its impact on industry and family has influenced these numbers. We see that directly in the activity of the rapid re-employment and training service. From April 2008 to March 2009 we responded to 289 layoffs. The previous year, we responded to 198 layoffs. By the end of 2008, over 82,000 individuals had been offered help by the rapid re-employment and training service.

So our employees, our training partners and our programs and services are helping people in need. Second Career, for example, has exceeded its service targets in all regions of Ontario. At our most recent count, almost 11,400 people have come forward to participate in Second Career. My ministry, working as a partner with colleges, community-based training and employment groups, unions, school boards and municipalities, to name but a few, is helping Ontarians to weather the economic storm.

Can we do better? That's our goal. The ministry is motivated by the spirit of continuous improvement. The employees of the ministry are experienced and committed to serving the people of Ontario.

Do we want to do better? Of course we do. That's why we've developed a long-term plan to transform Employ-

ment Ontario. Employment Ontario delivers 17 employment and training programs and services. Access to these programs and services is provided by government staff and by third-party partners, including colleges, school boards and community-based, not-for-profit organizations such as the YMCA and Northern Lights, to name just a few.

A number of these services were recently transferred to the ministry from the federal government under the labour market development agreement. The Ontario skills development program is one; the Ontario self-employment benefit is another. Others, such as the apprenticeship training system and literacy and basic skills, were part of the provincial government's traditional mandate. Today the ministry is in the process of integrating staff and redesigning former federal and provincial programs.

Since the transfer of federal programs, our focus has been on providing uninterrupted service to clients: people looking for training and employment, employers and communities. We're looking to transform these services to provide better service to our clients. In fact, given the economic change, the transformation couldn't be more timely.

Our goal to improve services so more Ontarians can get help with career planning, job search and job retention is critical. We're ensuring that Employment Ontario better meets client, community and stakeholder needs. Through these improvements, our customers will be able to access employment services from a single point of service. We're making our services more responsive and flexible to meet the needs of customers and communities. Where service gaps exist in communities, we're working to close them. We intend to build on the strengths of the Employment Ontario network. Implementation will proceed in a planned, staged and phased-in way.

Given this activity and the context of the Employment Ontario transformation, the ministry was pleased when the Auditor General chose to review the operations of the employment and services division. The Auditor General's staff elected to focus on four areas: skills development and self-employment programs, which were transferred from the federal government, apprenticeship, and literacy and basic skills. We welcome the Auditor General's review as a means to help us do better. The report provides helpful recommendations to guide us as we improve the work that is ongoing and the work that we need to do tomorrow. The ministry is developing a framework and targets to guide tomorrow's investments in education and training. This will be a broad strategy that will include post-secondary education, adult literacy and skills training, including apprenticeship.

On apprenticeship, I want to point out that the ministry distributed a media release this morning stating that it will introduce legislation that would, if passed, help us take a key step in promoting skilled trades as attractive careers and modernize the apprenticeship training system. If passed by the Legislature, the new college of trades would provide the government with a forum to raise, discuss and resolve issues with all the participants in the apprenticeship training system.

In general, the Auditor General's report commended the ministry's success in increasing apprenticeship opportunities and registrations. As I indicated previously, the number of registered apprentices has more than doubled in the last number of years. At the same time, the report noted that fewer than half of apprentices complete their training. It also focused on the difference between in-school pass rates and certification success rates. The report raised questions about the enforcement of legislation on restricted trades and recommendations to improve the effectiveness of the apprenticeship training tax credit.

We believe that, if accepted by the Legislature, our proposal to create a college of trades will give the ministry the tools to take action in a comprehensive manner, and with the support of participants in the apprenticeship training system, we'll be able to deal with the Auditor General's recommendations on apprenticeship in a comprehensive manner. We can work effectively with our partners in the training system to ensure that it meets the needs of apprentices, skilled workers, employers and the customers and consumers of products and services produced by skilled workers.

The Auditor General's report also directed the ministry to ensure that the apprenticeship training tax credit is effective in helping to expand apprenticeship interest and opportunities and meet labour market needs. It recommended that the ministry should work with the Ministry of Finance to evaluate whether it is achieving the expected outcomes and whether improvements are needed to enhance its effectiveness. I can assure the committee that we are working with the Ministry of Finance to do just that.

1250

Looking at the Ontario skills development program and the Ontario self-employment benefit program, the auditor recommended that steps be taken to ensure consistent delivery and levels of support for customers no matter where they live. This advice is timely. As I mentioned earlier, we're in the process of transforming Employment Ontario to better serve customers, and these recommendations will assist in that transformation.

A key component will be the development and implementation of a performance management framework for the training programs. This framework for training services will clearly set out three broad dimensions of service delivery success: effectiveness, customer service and efficiency. Performance indicators will be developed to clearly track client characteristics, outcomes of training, customer service standards and provincial targets.

In terms of literacy and basic skills, the report asks that further work be undertaken to reduce funding inequities among literacy and basic skills service providers. The Auditor General acknowledged our progress on this file. At the same time, we recognize that more work needs to be done. The ministry is looking to technology to help us and to our partners to develop a performance-based management system.

The 2009 Ontario budget announced \$90 million over two years to expand literacy and basic skills training.

This investment will help us to serve an additional 13,000 Ontarians each year. Last year, nearly \$75 million was invested in the literacy and basic skills program. This investment provides programs at almost 300 sites across the province, including colleges, school boards and community-based organizations. We also provided almost \$2.67 million in one-time funding to literacy and basic skills service providers to help them deal with additional pressures last year.

The literacy and basic skills program, including academic upgrading, assisted nearly 50,000 learners in 2007-08, with 67% of exiting learners going on to further education and employment. The number of learners served and their rates of success has increased steadily since 2003-04. Our goal is to provide customers with high-quality literacy services no matter where they live. As part of our effort to achieve that goal, we're working with our partners to develop a literacy curriculum and a common assessment tool to gauge the effectiveness of literacy programs.

In conclusion, 60 years ago Winston Churchill told an audience at Harvard University that the empires of the future would be empires of the mind. Churchill could have added that along with the mind there would be empires of skills, because skills and education are prime factors in attracting investment and jobs. That places a growing responsibility on my ministry to provide Ontarians with the training and learning that will help them succeed and the economy succeed. Ontario is home to production facilities for global biotech giants, IT and aerospace. Our GDP is among North America's top 10 and is larger than Belgium and Austria. We're home to 19 universities, many with a world-class reputation. Our colleges are among the best in the world. Our skilled workers and apprentices compete with world leaders. We have achieved much and we intend to achieve more.

Today there are laid-off workers who need advice on their next step. There are young people, women and immigrants looking for work or further education and training. There are employers that need skilled workers and want to keep the skills of their employees sharp. There are communities that want to develop strategies to provide the training and education that will attract jobs and growth. Through planning by staff and through consultation with our partners in the education and training communities, we're ready to take the next step.

Thank you very much, and I look forward to your questions.

The Chair (Mr. Norman W. Sterling): Thank you.

Mr. Jerry J. Ouellette: Thank you very much for your presentation and for coming forward.

Your mention of the new college of trades. Can you just enlighten us? If this were to pass, we realize the political implications, but how do you visualize this being unfolded province-wide?

Ms. Deborah Newman: Thank you for that question. The idea behind the college of trades is really to attract new apprentices to the trades and to give the trades a professional status like teachers or health professionals or

engineers. It will attract more people, raise the profile and status of the trades, help to promote careers in the trades and particularly attract youth and underrepresented groups to the trades. It would also make it easier to attract and certify internationally trained workers, to set training and certification standards, to conduct research, to make sure that training priorities are focusing on the needs for the future of the high-demand trades, and also give the skilled trades sector ownership.

It will be very much an industry-driven, self-regulatory body. It will allow the trades to have ownership and make critical decisions on issues like compulsory certification and apprenticeship ratios. It really will protect the public through the self-regulatory aspects, including a public registry of its members, receiving and investigating complaints and reviewing and delivering education and training and so on.

Mr. Jerry J. Ouellette: So how would the reviewing and providing education and training—one of the concerns in the past was, I can recall, for example, the best man at my wedding was a carpenter. He had to drive over an hour every day to go for the actual training part as a carpenter, whereas locally we have Durham College, which would be able to provide that. Is there some component in there that will include all the colleges, to make sure that it's immediately accessible?

Some of the difficulties are: When the boom is on and these individuals are requiring their educational component, it's very difficult to drive those distances, whereas if it can be utilized in the evenings so they could work through the day and do these courses in the evening, it would make it far more accessible and be much more beneficial, both for the economy and the individuals.

Ms. Deborah Newman: I'm going to ask Patti Redmond to respond to that.

Ms. Patti Redmond: Okay, and I think it's important to establish that the college of trades, as it is proposed, would be a regulatory college, so it would be like the college of physicians and surgeons, as the deputy noted.

The community colleges and the non-community college training delivery agents, which are largely the union training centres, but there are others as well, would continue to provide the in-school portion of the apprenticeship training experience. So in the example that you provided in terms of the carpenter, they would be certified by the college as being able to work as a carpenter, but they would still continue to receive that training at those facilities.

The ministry will work in partnership with the college of trades to identify where in-school training needs to be provided on an ongoing basis in order to ensure that people have access. That's something that the ministry does now.

Not all apprenticeship in-school programs are offered at every single college across the province. There are over 154 trades within the Ontario apprenticeship system, so it's part of that ongoing process, but we do envision that if the legislation does pass and the college of trades is created, they would be able to work in partnership with

the ministry in terms of what that strategy would be, and that once a person becomes certified as a journey person in a particular trade, the college would continue to provide ongoing training to those individuals.

1300

Mr. Jerry J. Ouellette: I think one of the things that was indicated was that the ministry was undertaking work with organizations to reduce the extent of un-certified—oh, wrong one. Sorry. That's the next question.

The initial responses would be “completing regional apprenticeship registration and completion strategies” to deal with this issue. I was hoping that the educational component would be included, to make sure there's regional accessibility for all the trades that are requiring upgrades.

One of the other aspects is that by the time individuals enter into a college environment, a lot of the decision-making process as to what field they'll be influenced to follow has already been set.

Locally, I know that in the Durham board there is a very successful program that may close this year—the Durham district public board—because their carpentry students and electrical students have no facility to work on. So the program may effectively close because they have no support there.

Are there some joint programs that will initiate apprenticeships at a lower level to ensure that by the time they get to the college level, they have already made that decision on their path, and the decision-making process has been determined?

Ms. Deborah Newman: I think I'll ask Kevin if he could comment on that.

Mr. Kevin French: Thanks for the question. Kevin French, assistant deputy minister.

In response to the question, the system itself and the demand for particular trades is something on which we work very closely with our training delivery agents—I'm just building on my colleague's comment—whether that be delivered through a public college or through a union training centre or, in the case to which I think you may be referring, through school boards if it's an OYAP program, an Ontario youth apprenticeship program.

Are there cases where there are pressures or not enough demand? Yes, and what we've been doing is working with the local communities to make sure that we are addressing those. The case that you've brought up is one that I can assure you the local Employment Ontario training office will follow up on.

Mr. Jerry J. Ouellette: The concern is to get people actively involved. I can recall that, going through school, we regularly took shop, as it was called, in many different aspects. But my kids, going through those same grades now, don't see any of that aspect in school at all, which appears to be not an inspiration for them to get involved in those activities. I think that the younger they are when we get youth involved, the more likely it is that the apprenticeship programs will move forward and be

more successful, because people are determined to follow through on it.

You mentioned about the other point I was bringing up, which was the initiatives undertaken to work with organizations "to reduce the extent of uncertified individuals working illegally in restricted trades." How do they determine—for example, an automotive mechanic and the drive-through oil changes. So, for example, they're not certified oil mechanics, but they are certainly doing mechanics-related work. Would that effectively put these individuals out of employment, or is there going to be a new department for that? Or is that removed from the aspect of dealing with automotive mechanics?

Ms. Patti Redmond: Okay, sorry. Let me try to make sure I understand the question. Are you speaking in the context of the college of trades, in terms of how that would work?

Mr. Jerry J. Ouellette: Well, the concern is that the comment was made that there were initiatives undertaken by the ministry to reduce the extent of uncertified individuals. Where do we determine who is certified and who is not certified to deal with certain aspects of performance of a function? The case I was referring to was about automotive mechanics. You now can do the drive-through lube places, where by no stretch of the imagination are these individuals certified mechanics, yet they're performing mechanics-related activities. How would that particular incident—it's just a for-instance—be applicable?

Ms. Patti Redmond: Within the Ontario apprenticeship system, as the deputy noted in her remarks, there are what we call compulsory or restricted trades. There are 21 of them, in fact, in the province of Ontario, including automotive service technicians. I can't speak specifically to the oil change issue, but an automotive service technician, in order for them to be able to perform work, must be certified to be able to do that work. That would continue as part of the college of trades. The college would work with the Ministry of Training, Colleges and Universities, the Ministry of Labour, the Ministry of Transportation and other ministries that have a role in the enforcement and health and safety of job sites to ensure that anybody performing work or a part of work that is a compulsory or restricted trade is certified to do that.

I'm not sure if that's answering your question specifically. The college itself would—

Mr. Jerry J. Ouellette: So they'll determine the boundaries by which the operation—it could be the same, for example, in an appliance repair shop where individuals are doing rewiring of appliances, like at Oshawa Appliance, which they've been doing for 50 years, but where they are not electricians; the same sort of incident.

Ms. Patti Redmond: The current number of compulsory trades would be those trades unless the college decided that additional trades would be added. There is a mechanism that is outlined in the proposed bill by which new trades could be added to the list of compulsory trades, to the 21 that I spoke about earlier, and people who work in those trades must be certified to work in

them. That is different than the example we talked about earlier, which is a carpenter, which right now is a voluntary trade in Ontario. So you can work as a carpenter in Ontario without holding certification, but, as I said, the proposed bill for the college of trades does outline a process by which new trades could be considered as compulsory.

Ms. Deborah Newman: Just to add briefly to Patti's remarks, about half of the trades, those participating in the trades apprenticeships, are in the compulsory or restricted trades, so the 21 trades that Patti mentioned. Those have currently been defined as requiring certification.

You mentioned uncertified individuals and our efforts to reduce the extent to which they are working illegally in restricted trades. As I think we've noted in our status report, we're working more closely with the Ministry of Labour and the Ministry of Transportation. The Ministry of Labour, of course, has the mandate to inspect work-sites in the compulsory or restricted trades, with the exception of hairdressers, which the ministry inspects, but in all other restricted or compulsory trades, and we've now made provisions for the Ministry of Labour inspector to be able to directly access the ministry's data to support their enforcement activities. So if they are attending a worksite in a restricted trade and a worker isn't able to produce their certificate, then the inspector can look them up to find out if they are in fact registered or otherwise would be illegally working. We're working with transportation to establish the same kind of access to our data to facilitate compliance and enforcement activity.

The college of trades would have this mandate to consider any other areas or functions, such as the couple of examples that you've provided, to determine whether they ought to be regulated as restricted or compulsory trades as well.

The Chair (Mr. Norman W. Sterling): I'm going to ask a supplementary because I'm very much interested in this. I just was reading a report of the ministry from 1973, *Training for Ontario's Future*, which recognizes the problem for mechanics in the automotive sector that, even at that time, almost 50 years ago, in the large cities in particular, they were starting to specialize in terms of what mechanics did. Mechanics worked on transmissions or carburetors or various different parts. Because 90% of the training was on the job, how could these people possibly write an exam on the other parts of the car—breaking down an engine, doing that kind of thing. The recommendation in the report is that the ministry then provide the programs to provide that training, so it wasn't a 90-10 split but some other kind of a split.

1310

So you're telling us that nothing has changed in the last 50 years, with regard to the plight of a particular individual who's working on one aspect of a mechanical repair, to pass the exam. But he still needs the certification in order to be able to work, let's say, on transmissions alone. He still has to have the certificate, right?

Ms. Deborah Newman: That's correct.

The Chair (Mr. Norman W. Sterling): What is the ministry doing to assist the individual to write the exam on the parts that he's not getting on-the-job training for?

Ms. Deborah Newman: I could probably give a pretty high-level response to that, but I think I'm going to ask Patti to give a little more detail.

Ms. Patti Redmond: I'm not entirely familiar with the report you're referencing. I'm trying to think where I was in 1973.

If I understand it correctly, the question that you're asking is: There are a number of trades within the automotive service area. So, for example, there's alignment and brake technician, autobody collision and damage repair, autobody repair, automotive glass technician, automotive electronic accessory technician, automotive service technician. I'm not sure—we could certainly provide to you when these various trades were introduced. But one of the efforts that we've made over the last number of years within the apprenticeship system is to recognize the fact that in some industries the work can be specialized. In other words, you can have specialists who may work only in a particular area. We have introduced those types of trades, and developed both the on-the-job and in-school training standards, curriculum and exams associated with those specific occupations, in order to recognize that individuals would work in those specific areas and would need to ensure that they have the training that is appropriate to that particular area. That is true within the automotive service area and in other areas as well.

The ministry works very closely with industry when it develops the training standards and curricula, in order to ensure that those standards reflect the needs of the industry now, and recognizing that those needs do change as new technologies are introduced, in order to ensure that people who are taking that training meet the requirements of today's workplace.

So there has been that effort in terms of recognizing that there are some specialized trades within certain sectors, and then there are other trades that have remained—that do acknowledge the fact that in certain circumstances, individuals may be involved in a number of those activities.

I'm not sure if that directly answers your question, but—

The Chair (Mr. Norman W. Sterling): Another recommendation in the report was that there be advisory committees in each regulated trade, made up equally of employers and employees. Do those advisory committees now function?

Ms. Patti Redmond: Yes, they do. They are referred to as provincial advisory committees and industry committees. They exist for trades or groups of related trades. They are the committees that ministry staff work with to develop the training standards and curriculum that I referred to earlier. That is where we get a significant amount of input about what is involved in terms of the trades.

The college of trades, if the bill is passed, would be responsible for the development of those training standards and curricula and would be working with, obviously, representatives from industry in terms of the development of those.

The Chair (Mr. Norman W. Sterling): I have a great deal of interest in this report. I was given this report about a year ago, when my uncle, who wrote it, died. His name was J. Douglas Swerdfager. He worked for the ministry at that time and was renowned in terms of his knowledge about apprenticeship programs. He basically was the guru for the Canadian Armed Forces in terms of all of their training and technical programs. So I'm interested in it, and I'm interested in the fact that a lot of things haven't changed much since the problems that were identified in that report. Here we are, 50 years later. The apprenticeship ratios are the same as they were 50 years ago. Things don't seem to have moved along very much.

The other part too is—

Mr. Rosario Marchese: It's because it works.

Mrs. Liz Sandals: Someone said that you'd just recently been elected.

Interjections.

The Chair (Mr. Norman W. Sterling): Well, this was 1973. I was elected four years later.

The other concern I have is the use of numbers. There were the same games played at that point in time in terms of numbers: They talked about registrants; they didn't talk about outcomes.

Can you give us outcomes on the success of the apprenticeship programs? How many people registered and how many came to certification?

Ms. Deborah Newman: I'll start on that and then turn it over to staff.

The auditor certainly spoke to the importance of completions. I think we've indicated that we've more than doubled the number of apprentices who are working toward becoming certified, to 120,000 from 60,000 in 2002-03. I think the issue of completions is critical. In terms of turning our attention to better tracking and monitoring, what we do know is that there are some complexities in tracking this. But overall, about 50% of those are actually completing and becoming certified. The stat here: From 2002-03 to 2008-09, the ministry issued 80,000 certificates. That's a fairly significant number of completions and new certificates of qualification.

The Chair (Mr. Norman W. Sterling): Can you give us those numbers in the 21 regulated trades, please?

Ms. Deborah Newman: I'm advised that the completions are higher in the 21 regulated trades and professions but we don't have the specific number. I guess it's intuitive that there would be higher completions in the restricted trades, which comprise about 50% of those working in the trades, because you must be certified to work in the trades. I'm not sure that we actually have that number, other than to know that it's higher than the average of 50%. I think we can get that number for you, Mr. Chair.

The Chair (Mr. Norman W. Sterling): Thank you.

Interjection.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette, can we come back to you?

Mr. Jerry J. Ouellette: My time is up?

The Chair (Mr. Norman W. Sterling): I think the Liberals had indicated that they want to—

Interjections.

Mrs. Liz Sandals: I think he thinks he's in line.

The Chair (Mr. Norman W. Sterling): Okay, go ahead.

Mr. Rosario Marchese: Most of the time, we don't let the Chair speak. This is how fair this committee is, that we allow the Chair to ask questions.

The Chair (Mr. Norman W. Sterling): You're going to get extra time, Mr. Marchese.

1320

Mr. Rosario Marchese: Madam Deputy, I just want to make an observation. I have questioned a number of deputy ministers and ministers in my time. I think I've been here too long, because every time we've questioned deputies and ministers, they're new. The last time I was asking questions of Mr. Colle, he was new and the deputy was new. Then we asked questions of Mr. Milloy, and he was new, and I believe the deputy was new, if I recall.

Ms. Marie-Lison Fougère: Acting.

Mr. Rosario Marchese: "Acting." You see what I mean? There's a pattern here. I don't know how we're going to fix that, but I wanted to mention it as an observation.

Ms. Deborah Newman: We don't all age in place.

Mr. Rosario Marchese: You mentioned that we are—I think you used the words "world leaders"—as it relates to apprenticeship programs. Is that correct? Can I ask you, Deputy: What is it that the world would want to take from us that is highly regarded by them and/or by us?

Ms. Deborah Newman: I think that Ontario is recognized internationally as having a highly skilled workforce and that when we look at our workforce, it is a competitive advantage. When we look at the demands in the economy and the indications that 70% of the workforce in the future will need to have some kind of post-secondary education credentials—

Mr. Rosario Marchese: I understand the idea that post-secondary education is critical and is needed. That I get. But I just wondered in what areas we're world leaders and what others would want to covet from us, because I just don't see it. If there is something, I'd like to know what it is about our training that people are saying, "Good God, Ontario's the leader and we need to go and see what they're doing."

Ms. Deborah Newman: I don't know if others have specific breakdowns, but I know that the Canadian Council on Learning has assessed Ontario as having among the most highly skilled workforces in the industrial world, so we actually are recognized for the skills of our people here in Ontario. This is more anecdotal, but I know in

speaking with colleagues that there are businesses and companies that are looking to Ontario to invest in because of those skills. In particular, digital media was one example that was used. I don't know if others have any more specific—

Mr. Rosario Marchese: No, no, no, please. I have so many questions. I think I've got a good sense of what you were saying.

I just don't know where to start. I'm going to go to the college of trades because you gave a lot more detail, and one thing was promoting careers in the trades. Can I ask you: What is it that the college of trades will actually do by way of promotion? Is it built into whatever the new bill says that they will do such-and-such, or is it by their mere existence that they will be promoting the trades? Is that it?

Ms. Deborah Newman: I think, to begin with, having a regulatory body, an industry-driven body—its mere existence does signal the importance of attracting people to the skilled trades and raising the profile and status of the trades. I think that, in itself, is—

Mr. Rosario Marchese: But there's nothing that is written in the bill that simply says that they will spend such an amount of money to promote the trades—nothing like that, correct?

Ms. Deborah Newman: As far as I know, it's not that specific.

Mr. Rosario Marchese: I do want to say that simply setting up a college of trades doesn't, in and of itself, promote the trades.

Ms. Deborah Newman: It will raise the status of the trades. It will provide a dedicated focus. They will be conducting research and gathering data on high-demand occupations and actively promoting attraction to the trades. I think that historically some parents or members of society haven't seen the skilled trades as as high-profile as they should be—

Mr. Rosario Marchese: I understand, and I want to make a point about that because I don't believe we do that well. Just having the College of Teachers, for example, doesn't promote teachers. It doesn't. But I do believe we need to promote the trades. I don't think we do a good job of it.

I have to tell you, when I was a school trustee I attacked the basic level schools because they were places where Italian-Canadian kids were sent and Portuguese-Canadian kids were sent and black kids were sent. So I had a sort of visceral problem with how we streamed certain communities to them. There are lots of stories of Italian-Canadians who would say, "Teachers would say that we were good with our hands"—because if you look at our hands, it's a trade kind of hand. That kind of streaming was terrible—not to say that trades are bad, but if you send communities as a whole to them, it's bad.

But I do agree that we should be promoting the trades. I don't believe that the college is going to do it, and I think that the ministry should do something about promoting the trades. So the question is, have you thought about what you could do to say, "Trades are a good thing, and here is how we promote it"?

Ms. Deborah Newman: Again, the intent behind the college of trades is really to raise the profile and status, not for specific groups but generally, as a very viable career path for young people.

We do have a number of measures currently that are used to promote the skilled trades, including the youth apprenticeship program and opportunities for dual credits for high school students, again to promote more young people going into the trades.

Mr. Rosario Marchese: I understand. Okay. I want to move on, because there are so many questions to ask.

Can I ask you: In terms of the college of trades, what's the membership? What's the constitution of the board? Who's there?

Ms. Deborah Newman: I'm going to ask Patti to speak to the governance of the college of trades.

Ms. Patti Redmond: The college of trades in the proposed bill would have a board of governors that would be comprised of 21 individuals, four from each of the four sectors within the apprenticeship system—that is, the service sector, the industrial sector, the automotive sector and the construction sector—and then there would be five laypersons who would represent the public. So that is the composition of the board of governors.

Mr. Rosario Marchese: Sorry, I missed—five—

Ms. Patti Redmond: Five laypersons who would represent the public. The college of trades, again, as it is proposed in the bill, would also have divisional boards that would be accountable to the board of governors, and there would be four of those divisional boards representing those four sectors within the apprenticeship system.

Mr. Rosario Marchese: And what would these divisional boards do?

Ms. Patti Redmond: They would deal with issues that are specific to the sectors. We recognize that there may be areas that are of unique importance to the construction sector, and they would be, as I said, responsible for dealing with those.

Mr. Rosario Marchese: Okay, thank you, Patti. Are they an independent body of government? Is that the case?

Ms. Patti Redmond: Yes, they are.

Mr. Rosario Marchese: What responsibilities are they taking from the ministry, if any? You might list all the responsibilities that you now hold in the ministry that they're taking over.

Ms. Patti Redmond: As it was outlined earlier, the college of trades would take over the responsibilities for the certification of journeypersons within the trades system, and that is a function that the ministry currently performs. As I mentioned earlier, we do that work in terms of the development of standards, working with industry, but the college would take over that responsibility.

The bill outlines the specific objects of the college, which are, if I could just go through those quickly—

Mr. Rosario Marchese: Sorry, Patti. The objectives speak to the kinds of roles that they will be taking from the ministry—is that what you're saying? Because I

understand “objectives”—okay, if it does, then I wouldn't mind hearing about it.

Ms. Patti Redmond: As in the proposed bill, the college would have the following objects:

“1. To establish the scope of practice for trades.

“2. To regulate the practice of trades.

“3. To govern the members of the college.

“4. To develop, establish and maintain qualifications for membership in the college.

“5. To issue certificates of qualification and statements of membership to members of the college and renew, amend, suspend, cancel, revoke or reinstate those certificates and statements as appropriate.

“6. To promote the practice of trades.

“7. To establish apprenticeship programs and other training programs for trades including training standards, curriculum standards and examinations.

“8. To maintain a public register of its members.

“9. To determine appropriate journeyperson-to-apprenticeship ratios for trades subject to ratios.

“10. To determine”—

Mr. Rosario Marchese: Patti, that's great. Thanks.

You have 100 training consultants in the 26 fields. Do those consultants go to the board or do they stay with you?

1330

Ms. Patti Redmond: Because the ministry will continue to be involved in what would be referred to as the pre-certification phase; in other words, the registration of apprentices during—

Mr. Rosario Marchese: So they don't go; they stay with you.

Ms. Patti Redmond: That's right.

Mr. Rosario Marchese: The Canadian Federation of Independent Business stated in an article in the Toronto Sun just last year, entitled *Changes Needed to Boost Skilled Trades Employment*, that the establishment of a new college of trades would be a “diversionary tactic.” She said, “Business owners don't need more bureaucrats to tell them how to do their job. The government needs to do more to get young people and others into the trades so that we won't have any big barriers to the growth of small and medium-sized businesses in the province.”

How would any one of you respond to that criticism?

Ms. Deborah Newman: Well, I certainly wouldn't characterize it that way at all. I don't think it's intended to bureaucratize or present barriers; quite the contrary. In partnership with the ministry, because we will retain some key functions like registration and allocation of funding to training delivery agents and so on, the college is intended—in fact, it is based on recommendations from Kevin Whitaker, as chair of the Ontario Labour Relations Board. I think he has made wise recommendations and provides a balanced approach to governance that should very well result in attracting more people to the trades.

Mr. Rosario Marchese: The apprenticeship is a work-based training model that combines on-the-job training, which is approximately 90%, with classroom

training, which is approximately 10%. Has the ministry ever assessed that kind of differential? Do you still believe that on-the-job training should be 90%, and is it working? And do you believe that classroom training, which is approximately 10%, is good, and is it working? I build on the question the Chair asked, because that question wasn't really answered; that is, a lot of apprentices fail the test. The question the Chair was asking is, if 90% of the time is spent on the job and 10% in class and they're failing the test, what is it that we could do, or should be doing, to deal with that? Is this ratio still defended by the ministry, and has it ever been reviewed?

Ms. Deborah Newman: What I would like to address is the part of your question that talks about how the ministry is supporting apprentices in achieving a higher pass rate for the certification exam, and then speak to any history of assessing the relative weights of in-school versus on-the-job training.

In terms of the pass rates for certification exams, the ministry's employment and training consultants in this area are assisting apprentices by preparing them to write the exam. They support them with a study guide and counselling on an individual basis; that is, to apprentices. They will assist them in reviewing the results of the exam and discuss with them any areas of weakness or areas in which they may need to improve in order to develop a plan for success, looking at a wide range of options to accommodate them, such as extended time for writing the exam, arranging for a private room if distraction is an issue for them, in some cases arranging for an interpreter or a translator—

Mr. Rosario Marchese: Is that improving the rate of success?

Ms. Deborah Newman: We think these kinds of measures that we're undertaking will improve the rates of success.

Mr. Rosario Marchese: We have no documentation on that just yet—

Ms. Deborah Newman: That's correct.

Mr. Rosario Marchese: —but we will someday.

Ms. Deborah Newman: Yes, we will. We will be developing better data going forward, through the creation of a new information system called the Employment Ontario information system. That will allow us to have more robust data and to assess the reasons for—

Mr. Rosario Marchese: The \$25 million that is being spent for that new information system: Is that what that is about?

Ms. Deborah Newman: Is that the figure? I would just ask my colleague if that's the correct figure for the system.

Mr. Kevin French: It's ADM Kevin French. There was \$25 million, as you rightly point out, that was part of the labour market development agreement, and that is part of a new information system.

I want to build a bit, if I may, on the deputy's comments about efforts—and I think the Auditor General's report is very balanced. There's clearly room for improvement. There are areas in which staff have under-

taken to improve the pass rates, and the deputy has outlined some of those. We have also undertaken some research with individual apprentices about their reasons for not completing. So there are ongoing areas that we have focused on—

Mr. Rosario Marchese: And the research started when?

Mr. Kevin French: It started last year. The report was issued in March 2009, so this spring. It's based on a report that was done with the Peel-Halton-Dufferin Training Board and two of our training delivery agents, which are Sheridan and Humber College.

Mr. Rosario Marchese: Can you share that report with us, please?

Mr. Kevin French: Absolutely. We will table that with the committee.

The one point I'd also like to mention is some of the co-operative work that we're doing as the province of Ontario with the federal government, which plays some role in looking at apprenticeship, and in particular the apprenticeship incentive grant. What we did in February, working with our colleagues at Service Canada, was send a letter out to all apprentices, just making sure they are aware of the federal apprenticeship incentive grant. Again, it's about completions and it's about our common objective of having apprentices who are going through the system actually finish their in-school and their on-the-job training and complete successfully.

Mr. Rosario Marchese: Is that incentive money? What is it?

Mr. Kevin French: It's an incentive grant provided by the federal government; that's correct.

Mr. Rosario Marchese: So let's say we're going to give you an extra \$1,000 or \$2,000 if you finish the program.

Mr. Kevin French: That's correct.

Mr. Rosario Marchese: Okay. Have you analyzed that ratio, 90% to 10%, in terms of how it works?

Mr. Kevin French: As I think the Auditor General's report indicates, other jurisdictions have looked at that. At this point, what we have done—as my colleague Patti Redmond indicated, the minister's action table that was set up a couple of years ago looked at this issue as well.

Mr. Rosario Marchese: A couple of years ago. And did they conclude something? Is there a report?

Mr. Kevin French: There was a report to the minister at the time. It's noted in the Auditor General's report as well.

Mr. Rosario Marchese: Could we have that report as well?

Mr. Kevin French: Yes.

Mr. Rosario Marchese: Okay. The ministry has 100 training consultants in the 26 field offices providing services such as registering apprentices and consulting with training providers and employers and other things that they do. There are about 35,000 employers. Evidently, their load has increased over the last couple of years, but there are no new consultants, no additional con-

sultants that I'm aware of. We're asking them to do a heck of a lot. How well can these 100 people do the job?

Ms. Deborah Newman: Just to begin to respond to your question, the ministry has since hired some additional employment and training consultants so that we have increased our capacity in this area to—

Mr. Rosario Marchese: How many do we have?

Mr. Kevin French: We have an additional 20 at the end of the fiscal year.

1340

Ms. Deborah Newman: So that is increasing the capacity in the system to support the work that our training consultants are doing. I think that's quite helpful.

Just to understand, again, the context of transforming Employment Ontario: We're moving toward a model where we have one-stop shopping for clients who are trying to access employment and training services. Our consultants are going to be broadly skilled as well, so that they can support a variety of employment and training programs.

Mr. Rosario Marchese: One of the complaints they made is that the focus of the ministry appears to be registration rather than completion. Are they correct? Are they wrong? Are we fixing that, or what?

Ms. Deborah Newman: Maybe I could just speak a little bit about the efforts that we're making to support completions.

Certainly, there has been a focus on increasing registrations, and we've been quite successful in terms of achieving higher numbers of registrants.

In terms of completions, the ministry is now really turning its attention—and Mr. French referenced a study that we'll table with the committee, with a school board looking at some of the reasons why some apprentices don't complete, so that we can benefit from that information.

We're also participating in the national apprenticeship survey, which is a federal-provincial-territorial study. This will give us data in a very comprehensive way about apprenticeship outcomes. That study is due to be completed toward the end of the summer. That's going to be very helpful to us. The disaggregated data for Ontario from that national apprenticeship survey—

Mr. Rosario Marchese: So that should give us a whole lot of guidance in terms of what we could do, right?

Ms. Deborah Newman: Yes, it will. It will help us target much more our efforts with respect to completions in trades.

Mr. Rosario Marchese: The worry was that the Centre for the Study of Living Standards reported in 2005 that Ontario had the third-lowest apprenticeship program completion rate among the 10 provinces. The construction and food and services trades sectors had the lowest completion rates, and the industrial electricians, ironworkers, mechanics and mobile crane operators had the highest.

Stats Canada did theirs in 2007-08 and said that of the three provinces they studied, they found that completion

rates were 59% in Alberta, 50% in Ontario, and 47% in New Brunswick. Construction trades had the lowest completion rate.

Clearly, there's a pattern showing that we've got a problem. Now, through this study we're finally, hopefully, going to be able to say, "We know, and we're going to do something."

Ms. Deborah Newman: You're absolutely right. I think this is going to give us a much better understanding of why some apprentices don't complete.

The only other piece I would add to that is that the ministry is also currently scoping out our own research project that will be specific to apprenticeship program targets and registrations and completions, so that we can augment the national apprenticeship survey.

Mr. Rosario Marchese: In 2005, the minister's action table on apprenticeship was formed, and the committee suggested strategies for improving completion then. That was four years ago. They said we should:

- ensure that in-school training is relevant, current and appropriate;

- ensure that examinations are appropriate;

- improve the tracking and monitoring of apprentices as they progress through their programs, and provide supports, such as counselling, which I heard you say you're doing; and

- implement a program to help employers be good trainers and to improve the connections between workplace and in-school training.

I thought these were very clear directions in terms of what you could do. Deputy—because you were here earlier—have you looked at that, and what conclusions did you come up with to deal with those suggestions?

Ms. Deborah Newman: I'll speak to the part that addresses your question in relation to what we are doing to encourage completions. A number of steps and measures have been taken. Certainly, our employment and training consultants are working very closely with those who are on their caseloads and trying to be proactive in counselling apprentices who may potentially be eligible to complete, to try to support them and move them forward to completion. They're encouraged to write their certificate of qualification exam as soon as possible after completing their apprenticeship program. The ministry is working collaboratively with training service delivery partners to make sure that certification exams can be written at the last in-school period so there isn't any loss in terms of retention of information and studying.

Really, ministry staff are assisting apprentices to schedule their examination to basically employ a number of other strategies to support them in completing. We're looking at accelerated in-school training for laid-off apprentices so that, if they are laid off, they can at least complete the in-school portion in a more upfront way. We're looking at pre-certification courses to support those who are writing exams and increase their pass rates. There are a number of measures, really, that are being taken to support completions and which I think

speak to a number of the recommendations that you mentioned.

I would just ask if staff would like to add to that.

M^{me} Marie-Lison Fougère: Also, one of the key recommendations of that report was actually to review compulsory certification, and subsequent to that, the government appointed Mr. Armstrong.

The Armstrong report was tabled with a specific look at compulsory certification out of basically a range of issues, and one of the key recommendations of the Armstrong report was for the government to also look at an all-trades institution, which is now leading to the introduction today of the bill on the college of trades.

The Chair (Mr. Norman W. Sterling): Okay, now Mr. Zimmer.

Mr. David Zimmer: I just have one or two quick questions. On page 5 of the report—it's under "Tracking Completion Rates"—the auditor said, "The Ministry needed information on apprenticeship completion and employment rates in relation to labour market demand. [It] agreed ... to implement outcome-based ... measures by January 2004," and to report after this. To date, the ministry has only publicly reported on the number of actual apprenticeship registrations, not completions. Why did that happen?

Ms. Deborah Newman: I'm going to ask Patti Redmond to speak to that.

Ms. Patti Redmond: I just want to make sure that I understand the question in terms of—I think that the ministry undertook to look at a performance management framework for this system, and we have been working on that as part of the overall Employment Ontario transformation. I think that the deputy spoke earlier about—

Mr. David Zimmer: But my question was, why did the ministry just report on the registrations for apprenticeship programs, that is, those who registered, but didn't report on the completions, those who finished?

Ms. Patti Redmond: I think the answer to that question is that the ministry is continuing to work on what the appropriate approach to what a completion is within the apprenticeship system. People enter into an apprenticeship program and they may leave for a variety of reasons. We need to work, as has been said earlier, on—

Mr. David Zimmer: So you didn't know what a completion was?

Ms. Patti Redmond: Well, I think that the ministry has agreed to use the national apprenticeship survey definition of a completion, and we're committed to tracking that.

Mr. David Zimmer: What's that definition?

Ms. Patti Redmond: I can pull it out for you. I don't have it right in front of me. I can undertake to get that to you.

Mr. David Zimmer: And when is that going to kick in?

Ms. Patti Redmond: When is it going to kick in? I think the issue is that we need to have the appropriate tracking systems in place to be able to report on the completion rate. The ministry is committed to doing that as part of the development of our systems.

1350

Mr. David Zimmer: What's the plan to have that up and running?

Ms. Deborah Newman: Basically, we're entering into a new information tracking system called the Employment Ontario Information System. It's being advanced in a staged way. We've just got a contract management module. We're adding a case management module—

Mr. David Zimmer: So what's the plan to get that up and running? By what date?

Ms. Deborah Newman: It will be fully complete by 2011-12. It's a very robust information management system. As Ms. Redmond indicated, the definition of "completion" has its complexities in terms of how that gets defined, and it's difficult to even make apples-to-apples comparisons.

Mr. David Zimmer: What are some of the elements of the complexity?

Ms. Deborah Newman: Maybe Patti can speak to that, but there are a variety of ways in which this gets tracked differently.

Ms. Patti Redmond: I think the issue is, again, that the apprenticeship system is an employment system, and people participating in it will learn at their own pace. So it isn't similar, in some ways, to the post-secondary system, where the courses are offered within—

Mr. David Zimmer: Can you help me with what are the key elements, the fundamental elements of a completion? What does a completion entail?

Ms. Patti Redmond: A completion entails the fact that the apprentice has finished all of their in-school training. There are generally three levels, but in some cases less and in some cases more, depending on the trade. Across the 154 trades that we have within the apprenticeship system, there are obviously different levels of complexity within that system. It also requires that the apprentice complete the on-the-job training component. I think in that particular case, different apprentices will move through that on-the-job training component at a different pace.

Then, in most cases, you write a certification exam. Not all trades require a certification exam, but for those that do, you must write that exam and pass—

Mr. David Zimmer: I'm just trying to struggle with the complexity or the—it seems to be stuck here. I don't understand why it takes from 2004 to potentially now 2011-12 to figure out what the definition of a completed apprenticeship program is. That's seven or eight years. I'm struggling with that.

Ms. Deborah Newman: I don't think it's the definition that we're talking about in terms of that length of time. I'm talking about having a really robust data information system, but the ministry already has an information system that allows it to do a certain level of tracking around completions. I think the new system is just going to give us much more detailed information that we can draw on.

In terms of the complexities, though, of just the definition of "completion," in addition to what Patti indicated,

there are questions like: If an individual chooses to leave one apprenticeship training program for another one, does that mean they're a non-completer? Is that counted as a non-completion because they leave one and pursue another, which does happen?

Some decide to discontinue the training program in a voluntary trade where they're not required to be certified, and they continue to work within the trade. Does that count as a non-completion? There are some that discontinue the training to go challenge the certification exam without completing the training. Is that a non-completion?

So there are a lot of nuances and complexities in determining and having apples-to-apples comparisons, depending on what jurisdictions actually include in the apprenticeship completion rate. So it makes it a little challenging. As I mentioned, even for those—

Mr. David Zimmer: You know, in the old days, when I went to high school, there were people going out and they would decide to become an apprentice: Somebody wanted to become a tool and die maker. It was very, very clear, because I had friends who did it. They said, "I'm going to find a job with a tool and die maker, and it's going to take me four years or five years, and I go through one, two, three stages, or four"—whatever it was—"and at the end of the time period, I'm a qualified tool and die maker." It was really simple. Now constituents come in and tell me they want to be a tool and die maker, and they can't even figure out what they have to do to become one, but they desperately want to become tool and die makers, and they'll probably be very good. They're just stuck. They can't figure it out, and I can't help them.

Ms. Patti Redmond: To jump in, I think that with in—you're right. I think that there are a number of individuals who don't know how to begin the process. I think the system still has some of the same elements that you outlined in terms of your experience. I know that within the Employment Ontario offices in terms of our employment service providers, they help to support individuals who are interested in going into the trades. Specifically with respect to that is finding an employer who is willing to take them on as an apprentice. In some cases, people become an apprentice because they've been working for a particular employer, and they are willing to apprentice them after a period of time. Both ways are part of the system, but our Employment Ontario offices do try, with those 100 training consultants that we spoke about earlier and also within our employment service providers, to help individuals to understand what would be required in terms of—

Mr. David Zimmer: I just want to ask one more question, then I'm done. What initiatives are under way to make sure that at the end of the day your plans for the apprenticeship program, broadly speaking, are going to match the needs of the market? By market, I mean the employer who's looking for apprentice X and the apprentice who's looking for the apprenticeship. How do we marry your plan with the market needs?

Ms. Deborah Newman: The ministry is very much looking at good labour market information, and is building that really good labour market information and looking at being able to link up the labour market demand with the trades and encouraging people to go into the trades that are very much in high demand. I think to some extent that happens now somewhat naturally, given that when the demand grows in a particular trade for a skilled tradesperson, then those kinds of placements are going to occur because there are jobs available in any event.

The ministry is also attempting to use that labour market information on high-demand trades to influence and incent people to go into those particular trades. Staff also work very closely in their communities with local employers to find out what's in demand and to ensure that apprentices are encouraged to go where the jobs are and where the needs are in the community. As we've mentioned before, through our participation in these apprenticeship surveys, the national survey and our own directory search, we'll be able to match the supply and demand, essentially, going forward to make sure that the labour market demands are where we're supporting apprentices to go.

Mr. David Zimmer: Thank you.

The Chair (Mr. Norman W. Sterling): Ms. Albanese.

Mrs. Laura Albanese: I would like to speak about the literacy and basic skills program for a moment. I'm sure we're going to go back to the trades after. You mentioned, Deputy Minister, that you are developing a curriculum and common asset tool for this program. I would like to know more about that.

1400

Ms. Deborah Newman: Thank you for your question. Certainly the ministry feels that literacy, math and other essential skills are absolutely critical for individuals to find sustainable employment and to pursue higher education. One of the phenomena that we're observing now with laid-off workers is that, not infrequently, they have been working for 25 years in manufacturing, for example, and when they get laid off, they actually require literacy and essential skills before they can consider pursuing further education or being retrained for another career. So we're working with partners and service providers on the literacy and basic skills area to try to meet those needs for a skilled workforce.

In terms of the investment in that area, as well, as you know, the government currently commits \$75 million annually, and in the most recent budget committed to increasing funding to literacy and basic skills by \$90 million over the next two years. We're looking at community literacy, distance learning and workplace literacy.

I'm going to ask Patti to speak more specifically to the development of the standard curriculum.

Mrs. Laura Albanese: Yes, and just before you answer, I'm interested to know if there is some work being done around the criteria of the programs. The auditor did mention that he had some concerns about the time that some learners remain in the program. One of

them was identified to have spent over seven years in the program. If we're trying to get people retrained for a job, that would seem quite extensive, unless there are other underlying problems.

Ms. Patti Redmond: Okay. Let me try to answer the questions, because I think you talked in your question about the work that we've done with respect to the literacy curriculum, and I think that work will help focus the training that is provided to individuals as part of the literacy and basic skills program. I should say, though, that, like the apprenticeship program, literacy learners do move through the program at their own pace. Some of them are not taking this training on a full-time basis. They may be working part-time or they may have child care issues and things like that. So it isn't a program, again, that has sort of a specific start and finish date.

I would also say that the literacy and basic skills program is learner-focused, so it does try to look at specifically what goals the individual is trying to achieve as part of participating in that program. For some of our literacy learners—for many of them—employment or further education and training is an important part of why they are participating in this program, but we do have literacy learners who have independence as a goal. The absence of literacy skills makes it difficult for them to be independent. So those are part of it.

In working on the literacy program, we have begun the process of developing a literacy and basic skills curriculum, but there is not currently a formalized curriculum available within the program. Our service providers use a variety of different tools that the ministry makes available to them and tools that they have developed themselves in order to provide the training to the individuals.

Mrs. Laura Albanese: When will that curriculum be finalized?

Ms. Patti Redmond: That curriculum will be available in 2011-12. We're working very closely with the literacy service providers in the development of that curriculum. It will need to be pilot-tested as part of the process, so there's the development of it and then there's the pilot-testing phase to make sure that it is effective and then rolling it out to all of the service providers that they're available.

As part of that curriculum, it will look at all of the learner pathways as I spoke about earlier, so independence, employment, credit study, post-secondary education and apprenticeship, and ensure that we have developed a curriculum that specifically focuses on all of the learner pathways for an individual who would be participating in the literacy and basic skills program, because, again, we want to make sure that it is focused on the needs of the clients that are participating. So we think this is an important part of having this as part of the literacy and basic skills program.

Mrs. Laura Albanese: I also wanted to speak for a moment about the funding. The operating funding had remained the same for awhile and then, "the ministry has reduced a number of target services hours to be delivered, from 6.7 million to 5.6 million." The auditor

suggests, "Some of this reduction may be the result of efforts by the ministry to standardize and monitor the way service providers count their contact hours," because there seems to be quite a discrepancy in the contact hours.

What are you doing to move towards standardizing these contact hours? Is it because some agencies provide different types of service that they're not standardized? What's your comment on that?

Ms. Patti Redmond: Yes. As I said earlier, obviously all of our literacy and basic skills service providers are providing training, but some of them are providing it at different levels. So it goes anywhere from what is the equivalency to grade 1 up to what is essentially an equivalency to high school. So there is quite a broad range of literacy training that is occurring within the literacy and basic skills program, all of it being very important.

Right now, the ministry uses the contact hour as a means of tracking that, but I think we agree that we need to look at a different approach and move forward in terms of standardizing that approach. The literacy and basic skills program does have a set of performance measures that we hold agencies to account for in terms of performance, in terms of the number of clients that move on to further education and training or employment but as part of the Employment Ontario transformation that the deputy spoke about in her opening remarks, that we would be looking to improve that performance management framework for the literacy and basic skills program, that in the development of that we have—

Mrs. Laura Albanese: How long will that be? You're going to be looking at this different approach. What's the timeline there?

Ms. Patti Redmond: I think it's going to take us a couple of years in terms of, again, it's part of an overall set of strategies that—

Mrs. Laura Albanese: So it's 2011-12.

Ms. Patti Redmond: —include the literacy curriculum.

So they're all part of an overall approach to transforming the program. So it includes the development of curriculum, it includes improving the performance management system for literacy, and it includes an ability to look at measuring the skills that are attained by the learner while participating in the program that has that set curriculum. So it is part of an overall set of building blocks that are necessary.

But in the meantime, I think our literacy providers are continuing to provide very high-quality literacy services to their clients. We are working with them very closely on the new funding that the deputy spoke about in her remarks, the \$90 million more, in terms of how to target that funding, how to approach things like distance learning. I think one of the things that we've heard from our literacy service providers is about the ability of clients to participate in training, but recognizing that people have to do that at their own pace and when they're able to do it. So, where it's appropriate, an ability to offer a supported distance learning environment is also quite im-

portant to the overall approach that we have for the program.

1410

Ms. Marie-Lison Fougère: Just maybe two supplementaries that explain the length, the duration. We have four streams in this—anglophone, francophone, the deaf and also aboriginal, which is actually unique for Ontario, and Ontario distinguishes itself on that basis—so it takes more time.

The last point I would make is that all of that is also very much linked to the essential skills that have been defined by HRSDC, so that you can actually link the sort of transition paths that people have to go through in order to achieve specific levels. It's also tied to very specific literacy skills that are deemed to be absolutely essential in contemporary society. So it's not just about basic reading and writing. It is about computer use; it is about oral communication; it is about the ability to learn and to train. So it's a fairly complex process.

Mrs. Laura Albanese: Thank you very much.

The Chair (Mr. Norman W. Sterling): Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Mr. Chairman, and thank you all for being here.

First of all, I want to apologize for not being here for the initial statement. I had another meeting I had to be at. The reason I mention that is that some of the questions may have been answered in your initial notes.

To lay the groundwork, my questions aren't really as technical as what I've heard so far, because I'm not looking to set up an apprenticeship shop, to have apprentices. The questions will be directed toward getting information that I can give to my constituents as to why and how this program is working.

I was going to make the comment that as I was sitting here listening, I was starting to feel like I was in question period, where we have very good questions and very good answers, but they usually don't match up. I was a little concerned that that was happening here this afternoon. Somehow we got the feeling that the ministry is here to tell me how well things are working. The only reason I'm here is to find out how we as a committee, with our recommendations, can help solve the problems that the Auditor General pointed out during the investigation.

As I looked at the auditor's report, there was very little in it to deal with whether the curriculum was a good curriculum for the different trades. The overriding question that came out for me in the Auditor General's report was, how well are we doing with apprenticeships in Ontario? When we ask this question in question period, we get the comment that we are registering far more people into the apprenticeship programs than we ever have before. In fact, we're way ahead of where we expected to be at this point.

But then, when the Auditor General is trying to find out how well we're doing in successfully completing the courses, and how many people are actually getting their certificate in hand, that they are now journeymen, or

journeypersons, in whatever field they decided to take up, we don't have much information to give people to say how successful we are being, and how successful we want to be, and what we need to do to reach that success.

The old adage is, "If you don't know where you're going, every road will get you there." I want to make sure that we're not on the wrong road to go where we want to go.

So if I could just have some general comments on where we are at with setting up a system, that we can be as accurate or as forthcoming with information about completion as we are with starting.

Ms. Deborah Newman: Thank you. You're right that the auditor recognized the doubling of registrations in apprenticeship, and the growth in the system from 60,000 to 120,000 apprentices in the last few years, but recognized that we need to renew our focus on completions. So we've got a lot more people in the system, which is a good thing, but now, how do we find out (a) why a number are not completing, and (b) how do we support them in achieving higher rates of completion?

What we talked about, before you were able to join us, were a number of key focuses, but principally speaking to the creation of the new college of trades is really to raise the profile and status of the trades and to encourage a focus on the trades as a very viable career option for young people and others in terms of their career paths.

In terms of completions and looking at completions, we spoke to a number of areas in which we're working in the ministry to support increased completions, and also to gather better data about why apprentices may not be completing and receiving their certificates of qualification.

On the data side, we are participating in a national apprenticeship survey, and the disaggregated Ontario data will give us a lot better information about the reasons why some apprentices may not see their training through to completion, and that will help us begin to target our efforts to support higher rates of completion. So part of it is good data.

We're also scoping our own research study to try to address that and to achieve a level of understanding around that and good data, again, about supply and demand, and for high-demand trades to encourage apprentices to focus their efforts on those trades most likely to lead to full-time employment. We're also evaluating the Ontario youth apprenticeship program to make sure that it is meeting its objectives in supporting young people entering the trades.

So part of our efforts is around a better understanding, better data to help us focus our efforts and target completion activity, and in the meantime we're undertaking a number of measures to support existing apprentices to achieve the highest possible completion rates. I did speak to those; I'd be happy to outline those for you as well.

Mr. Ernie Hardeman: I guess my question, just to go a little further on that one: Apprenticeship is not new. It predates all of us in this room. Are you telling me that in all that time, all we've ever worried about is getting peo-

ple into the program? We've never kept records of how many people are successfully completing the program?

Ms. Deborah Newman: We do have some records in terms of completions. What we don't have is that qualitative information that tells us why people who aren't completing aren't completing—

Mr. Ernie Hardeman: We do know how many are completing?

Ms. Deborah Newman: Yes, we do know that approximately 50% are completing, so 50% are not completing.

We had some conversation about complexities around defining completion rates. It's difficult to compare ourselves to others; they become apples-to-oranges comparisons in a lot of cases, because the definition of completion varies from jurisdiction to jurisdiction. As I indicated, for example, if someone leaves a particular apprenticeship training program to pursue a different one, is that counted as a non-completion if they complete the other program? Some will choose to discontinue their training and challenge the exam. Is that a non-completion of training? Different jurisdictions have counted that differently.

With the national apprenticeship survey, now everyone will use the same definition. We'll get some better relative data and a better understanding of those nuances and the qualitative understanding of why people may not complete.

So we do have some completion data. It's just difficult to consistently compare ourselves with others.

Mr. Ernie Hardeman: I guess my question would be, then, what do we need to put in place that would put those two together? Obviously, in the last number of years we've spent a lot of time, effort and money to get people to register in apprenticeship programs. We seem to have no idea—we all know how many came in and we know how much we've invested to get them that far, but we don't seem to have anything in place to see about the ones we did three years ago or why it is that they aren't being successful. They've dropped out and they're gone. We have new ones coming in and we keep adding more resources to bring more new ones in, but we don't know what's happening to the ones who didn't complete?

1420

It would seem to me that we need to put something in place that would follow them all the way through, from the time we hire them till the time they retire, that somehow we keep records of how successful we are in providing what we're providing. What would we need to do to improve that?

Ms. Deborah Newman: We do have an information management system, and it essentially tracks apprentices through the various stages of their journey through to receiving their certificate of qualification. In the future, we're going to be tracking more data and in a more longitudinal way, such as you're suggesting, and we're developing a new information management system, I&IT system, to track that.

Mr. Ernie Hardeman: I want to be more specific. The last time, the minister came in and said, "I've got another \$25 million from the federal government to encourage more training programs in the apprenticeship and training field." At the time you do that, is there not something in place that measures where would be the best place to put it? It would seem to me that looking at why we're failing is more important at this point than finding out how many more people we can put into a failing program.

Any program that's only 50% successful is a total failure. When our universities, our elementary schools or any other training facility says, "We only succeed with 50% of the people we start with," we would never consider that a success. Have we never considered that the resources should be put towards finding out why we're not being successful as opposed to putting more people in the system?

Ms. Deborah Newman: I'm going to ask others to comment a little bit more on the use of the funding and tracking, but I guess I would say two things. One is that I agree we need better data in terms of understanding why people don't complete and to try and improve those completion rates. We have undertaken and are undertaking a number of measures in support of that.

The other is that I don't want to characterize this as a failed system in the sense that we have a very significant number of apprentices in Ontario—120,000—and in the last five years we've issued 80,000 new certificates of qualification. Those are a lot of journeypersons. So there are some measures of success, and I think we can do better and will do better in terms of supporting a higher completion rate.

Maybe Patti or Kevin—

Mr. Ernie Hardeman: That's fine. As long as we're working on it. All I'm looking for are some suggestions of what you think we could recommend to government that they do to improve the system. I'm not sitting here trying to criticize the system. I think, collectively, we've got to make it work better.

There was one other thing. There was a bill introduced just recently about labour mobility and the challenges we're going to face with the apprenticeship program and the requirement we make it completely mobile across Canada. This is going back to the apprenticeship ratios. Why would anybody stay in Ontario waiting for a placement to go into apprenticeship when we can't find one and we can go to any other province and they have a one-to-one ratio so they can find jobs in the apprenticeship program and get into the apprenticeship program? How do we keep our people at home?

Ms. Deborah Newman: Sorry. You're speaking to—

Mr. Ernie Hardeman: We're the only ones who have three-to-one ratios in certain skills. So if I want to be—

Mr. Rosario Marchese: He's speaking to the bill that was just introduced.

Ms. Deborah Newman: Yes.

Mr. Ernie Hardeman: If I want to be an electrician, why would I take an apprenticeship in Ontario when I

can't find a placement and when I can go to one of the other provinces and they have a one-to-one ratio? In fact, there are some that have more apprentices than they do tradespeople. So why would I stay here, and how are we going to deal with that?

Ms. Deborah Newman: Again, the labour mobility legislation that was introduced last week is really intended to remove barriers to opportunities for skilled workers. If you're a Canadian, you're a Canadian, so you ought to be able, if you're certified, to move to another province or territory without having to complete additional training or become recertified—

Mr. Ernie Hardeman: But my question is, how do we keep them here to go through the training? Because anybody who's trained somewhere else can come back here and work. In fact, our apprenticeship program would die because we have such restrictive measures to keep them here. Is the ministry looking at levelling the playing field for that too?

Ms. Deborah Newman: We want to ensure that trades and professions are addressing high-demand occupations and where there are skill shortages or where there are projected to be. So the extent to which that happens means we will be able to keep our Ontarians in Ontario. But there shouldn't be an impediment to a Canadian moving from one province or territory in the country to another. The European Union has had labour mobility for some time. I think Canada's Premiers are now committed to ensuring that workers have that same mobility and that they don't face barriers and obstacles in this country.

I think our business here in Ontario is to make sure that we're supporting skills development in high-demand areas and where there are skills shortages. It's really using good, targeted labour market information and supporting workers to be in high-demand areas, because with retirements in the future and demographic changes, we're going to be facing skills shortages. So I think we've really got to support our workers staying in Ontario.

Mr. Ernie Hardeman: But is there not a need to make sure that if we're going to standardize the mobility, we also have to standardize the training? If we in Ontario believe that it requires three journeypersons to have an apprentice—because as soon as you increase or decrease the ratio, it means we decrease the quality of the training and we end up with all of our tradespeople having trained in provinces where it's one to one—aren't we being unfair to our own people, that they have to go to a higher standard and wait longer to get training, just to be replaced by people coming in under our legislation?

Ms. Deborah Newman: One of the functions of the new college of trades, if the legislation is passed, will be for industry-driven determination of appropriate ratios. So the college of trades will be charged with and be well positioned to determine what those appropriate ratios are going forward, and be engaging employers, apprentices, journeypersons and others in determining what the appropriate ratios are.

Mr. Ernie Hardeman: So the college would be able to do what I'm suggesting would need to be done?

Ms. Deborah Newman: Yes, ensuring that our workers are competitive, that health and safety is not compromised, but that whatever the appropriate ratio is, it's determined by the industry.

Ms. Marie-Lison Fougère: Also, if I may just add, under labour mobility, there's a high percentage—we have the red seal trades, which is a nationally recognized certification standard, and in fact a lot of our Ontario tradespeople are part of that red seal. So actually, that makes them very competitive.

The other thing that I may add is that as part of labour mobility, one of the things that will happen with respect to the trades is that where there are non-red-seal trades that need to be looked at, they'll be a matching process. Only where the scope of practice of those trades is recognized as being equivalent will the tradespeople be able to be recognized as certified.

While labour mobility doesn't deal specifically with ratios and the college of trades would, eventually, if the bill is passed, labour mobility does have—there are checks and balances. It is about maintaining standards; it's not about lowering the standards. Also, it's up to every jurisdiction to even upgrade standards if it feels that, in fact, in a modern economy we need to upgrade standards, which is not necessarily related to ratio; it just has to do with the kinds of competencies that you have to have in order to be recognized and certified.

1430

The Chair (Mr. Norman W. Sterling): The problem that we have here, and we see it in our constituency offices day after day, is that we're encouraging young people to become apprentices, and they cannot get a placement because of the ratios. I had one young fellow who phoned over 200 employers in an attempt to get a placement as an apprentice, and he's in his third year. He can't get it. I say to him, "Why not go to Alberta, work for two years, get your journeyman and come on back," because with the new labour mobility, he's guaranteed that he can come back—red seal program and all the rest of it.

Why are we chasing our young people out of our province? Why are we doing that? It doesn't make any sense to me. If a one-to-one ratio is good for every other province, why isn't it good for us? Why are we chasing them out?

Mr. Ernie Hardeman: I think a point well made, but I expect, likely, that the deputy is at a loss to answer it. I think it's a political decision.

Mr. Norman W. Sterling: Yes, I think it is a political decision.

Mr. Ernie Hardeman: Thank you very much.

The Chair (Mr. Norman W. Sterling): Mr. Marchese.

Mr. Rosario Marchese: In relation to the enforcement of legislation on restricted trades, the Auditor General did an on-site visit to motive power shops—I hate that word "motive"; there's got to be a different word—where "training consultants have found ... unlicensed workers ... doing restricted work illegally." It's a

challenge in this sector, evidently. They haven't been advocating for increased enforcement, so the Auditor felt that the ministry should be more aware of the Ministry of Transportation enforcement activity for "licensing businesses to issue vehicle safety certificates." That's one issue.

Tim Armstrong in his 2008 report said that "requirements for compulsory certification will not be fully effective unless there are comprehensive enforcement mechanisms, accompanied by meaningful sanctions, to deter widespread contravention." What are we doing about that?

Ms. Deborah Newman: I'll begin and then ask if staff would like to add to that. In terms of the uncertified worker working in certified trades, as I indicated, we're working very closely with MTO as well as the Ministry of Labour to ensure that we can support them in their enforcement and compliance activities, that they can access all of our data with respect to their worksite inspections. So that's sort of one—

Mr. Rosario Marchese: So you're working with them; I understand. But Armstrong, in his report from 2008, said that we need an enforcement mechanism quickly—I'm assuming he might have meant quickly. That was 2008. We're now in 2009, so I'm assuming this talking with other ministries takes time, that developing an enforcement mechanism takes time? If so, how long might it take to have these mechanisms in place?

Ms. Deborah Newman: In terms of enforcement activity, I'm going to turn to one of my colleagues, whoever can speak to the enforcement activity piece.

Mr. Kevin French: Thanks for the question. Just to respond to the actions that have been taken to date, on October 17, 2008, the ministry entered into an agreement with the Ministry of Labour that allows them to access our data so that they can do on-site verification to address the issue that has been noted in the Auditor General's report. We're also, as the deputy indicated earlier, working with the Ministry of Transportation to enter into a sharing agreement, as is the Ministry of Labour, as a model. So we have implemented one with the Ministry of Labour, and we are working with the Ministry of Transportation.

Mr. Rosario Marchese: And that agreement, again, does what?

Mr. Kevin French: It allows an inspector to ask for an individual's name, and we can verify whether they are registered as an apprentice or journeyperson.

Mr. Rosario Marchese: So it allows an inspector to ask for the name, which they couldn't do before?

Mr. Kevin French: They didn't have access to the data. We now have the legal provisions, under the Freedom of Information and Protection of Privacy Act, to have those provisions in place. So it was a privacy issue, to your point about the time it took to do that. It's a formal agreement to ensure that all of the freedom of information provisions are respected.

Just going back to the comment about the spirit in which the recommendations are made: As far as more

that could be done, clearly there are indications that there is more that could be done, and we have taken some early steps on that.

If I could build, for one second, just on the administration of the apprenticeship: We've also undertaken to look at where the business processes could be improved for apprenticeship as well. We haven't actually talked about that. Again, it's about improving it so that employment and training consultants can focus on ensuring that apprentices are getting the support they need, so that we can get to the completions, which has been part of the discussion we've had here today.

Mr. Rosario Marchese: So now they have access to the data legally—I understand—and it allows inspectors to ask for the name.

Tim Armstrong was saying that there should be comprehensive enforcement mechanisms with meaningful sanctions. Are you also dealing with that, or is that not necessary?

Ms. Deborah Newman: In looking at enforcement and self-regulatory mechanisms that would fall under the college of trades, if that entity in fact comes into being—and maybe I can ask Patti to speak to that.

Mr. Rosario Marchese: I suspect they have the numbers to do it. So, they will have that power to be able to deal with enforcement and sanctions?

Ms. Patti Redmond: One of the objects of the college would be to receive and investigate complaints against members of the college and to deal with issues of discipline, misconduct, incompetence and incapacity.

As part of the proposed bill, similar to what is available within other regulatory colleges, the college itself would look at complaints about the competency of members and have the ability to deal with those particular issues in a self-regulatory environment and—

Mr. Rosario Marchese: I got it. So it also includes this issue that I'm raising. You listed a whole number of things. It wasn't necessarily this particular issue I raised, but you're saying it is: They will have control over this.

Ms. Patti Redmond: I just want to make sure I understand your question. I think the college, in addition to the things that my colleague Mr. French talked about, is an important part of what Mr. Armstrong was getting at in his recommendation.

Mr. Rosario Marchese: Okay. So, hopefully, the college will have the ability to have enforcement mechanisms and sanctions where there are unlicensed workers doing restricted work.

Ms. Marie-Lison Fougère: One thing that we need to be clear about is that the Minister of Labour retains a very important role in terms of enforcement. So, whatever the college of trades would do through the complaint processing mechanism and so on, which is typical of self-regulatory bodies, it doesn't replace the role that the Minister of Labour is legally authorized to play in terms of inspections of sites and so on and so forth. So, if anything, you get two complementary mechanisms, which should improve enforcement.

Mr. Rosario Marchese: That's great. It's not comforting, but it's great. When the minister acts, it's great. When they don't, then it's another power that is there that may not be used. But it's good to know that he, in this case, has the power to do that.

I want to talk briefly about the apprenticeship training tax credit. Marie-Lison Fougère was there when I raised this issue with the minister and the deputy, and they both said it was the Minister of Finance who has control of this. I said, "But you're the Minister of Training, Colleges and Universities. You don't have any say, and you don't know what's going on? The Ministry of Finance is the only body that has control of this?" I was a bit alarmed by it then.

And the auditor is saying now that you really should work more closely with the Minister of Finance, and the deputy says, "We are." I didn't get that impression a couple of years ago when we did that, and I still get the feeling that somehow you're working with them but I don't feel any comfort in that either.

1440

Most eligible trades are in the motive power, construction and industrial sectors. The ministry has not yet obtained current information from the Ministry of Finance on the level of activity in each trade or trade sector, so the auditor believes that a review of the program effectiveness would be timely. I agree.

You say you're working closely with them, but is that question answered or are you yet to deal with that with the Minister of Finance with respect to not having yet obtained current info on the level of activity in each trade or trade sector?

Ms. Deborah Newman: I would probably reiterate the earlier position, in the sense that the apprenticeship training tax credit is administered by the Ministry of Finance and that MTCU's role is really very much just to promote that tax credit to encourage more employers to hire apprentices.

Mr. Rosario Marchese: I understand that.

Ms. Deborah Newman: So in terms of the relative roles and responsibilities, that's it. That's our role. We, of course, have no transactions between employers, with Revenue Canada, with the Ministry of Finance, so when I talk about working with the Ministry of Finance, it will be to conduct an evaluation of the extent to which this tax credit is helpful and effective in encouraging employers to hire apprentices.

Mr. Rosario Marchese: And I understand you're going to try to do that. I'm alarmed that every time we meet we have the same discussion, and I have no doubt you will talk to them; I just don't know that we're going to get the information.

So the recommendation by the auditor was that the Minister of Training, Colleges and Universities should work with the Minister of Finance to evaluate whether it's achieving the expected outcomes and whether improvements are needed to enhance its effectiveness. That was the question they raised.

You are responsible for this in terms of reporting to us about it, but they're not here. So when we ask you the questions, all you can say is, "Yeah, they're in charge, they're doing this." It's a terrible situation to be put in when I'm asking you the questions and they've got the answers and there's no sharing of information. I find that terribly inadequate. Do you think we're going to be able to get the information? If so, when?

Ms. Deborah Newman: Well, as I indicated, I appreciate your frustration, but we are working with finance to do an evaluation, because our interest is in ensuring that this is an effective mechanism for promotion of apprenticeship and for employers to be incented to hire apprentices. So we will work with them to determine whether this particular program is meeting its objectives.

Mr. Rosario Marchese: The ministry has increased annual apprenticeship registrations by 64%—and the minister is proud of these numbers too, by the way—since the 2002 audit. So you've added 20 new apprenticeship trades over the past five years, to bring the total to 153 in four sectors: construction, industrial, service and motive. The largest increase in registration has been in the service trades.

The results of expanding into new trades such as call centres have been mixed, where they say many call centre trade apprentices quit during the first six months of employment. Do you feel, Deputy or others, that this reflects the new economy that you were talking about in your comments earlier? That's the first question.

The second is: Is that addressing the skill shortages we have—that is very documented, by the way; it's clearly documented; we know this—where many sectors are telling us that in the next 10 years, as people retire, we won't have the trades to be able to do that? So it's not as if we need this information. It's already available.

We're creating most of the new apprentices in the new service sector area, but my feeling is, as happy as the minister is with the additional numbers, that we're not addressing the areas of skills shortages in those fields that are critical to our economy. How are we dealing with that?

Ms. Deborah Newman: What I can tell you is that 63% of all new registrations in 2008-09 are in these top 10 trades. Those are: (1) automotive service technician; (2) electrician—construction and maintenance; (3) hairstylist; (4) carpenter; (5) cook; (6) early childhood educator; (7) industrial mechanic/millwright; (8) plumber; (9) information technology contact centre—customer care agent; and (10) truck and coach technician. Those are the top 63% of new registrations.

Mr. Rosario Marchese: Can I ask you again—sorry. That was a list of the top 10 categories, and I got the first four. Automotive, construction and maintenance?

Ms. Deborah Newman: Automotive is the first. Electrician is the second; electrician—construction and maintenance; Hairstylist.

Mr. Rosario Marchese: Hairstylist is three.

Ms. Deborah Newman: Third.

Mr. Rosario Marchese: Wow. That's impressive. Okay.

Ms. Deborah Newman: I think I'm keeping that industry in business. General carpenter is fourth. Cook; early childhood educator; industrial mechanic/millwright; plumber; information technology—customer care agent; and truck and coach technician.

Mr. Rosario Marchese: Coach technicians?

Ms. Deborah Newman: Truck and coach technician. Those are the top 10.

Mr. Rosario Marchese: Okay. The bulk of these new ones are in the service area. Is that correct, or no?

Ms. Deborah Newman: No, I actually wouldn't say that.

Mr. Rosario Marchese: The report says that the "largest increase in registrations has been in the service trades." They call it "the service trades." Is that something that comes from the auditor, or research?

Mr. Jim McCarter: Call centres would be an example of that. There are a number of different apprenticeships in the service sector. Some of those—I'm not even sure if "hairstylist" falls in the service sector or not. It could; I'm not sure.

Mr. Rosario Marchese: That's high.

Ms. Deborah Newman: I think, of that list I gave you, probably a hairstylist is the one that's in the service sector, and call centre is the—

Mr. Rosario Marchese: A nation of hairstylists. Okay, thank you very much. That's fine for me. Thank you, Chair.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: Just a quick question about the trades. What I see in my constituency office is that the issue of finding apprenticeship positions, the actual placement, seems to be top. It isn't just the ratio issue; it's broader than that.

I understand that you've registered the apprentices and they've taken course work and, in various different pathways, end up somehow getting certified, we hope. At the point at which they become a journeyman, do we then re-register them as journeymen? Does anybody have a list of who the journeymen are?

Ms. Deborah Newman: Yes, would be my understanding. We register them initially as apprentices, and we do then register them as journeypersons when they pass that certification exam and get a certificate.

Mrs. Liz Sandals: I presume that would pass over to the new college of trades, that whole registration process, if the legislation passes.

Ms. Patti Redmond: When they become certified as a journeyperson, yes.

Mrs. Liz Sandals: We haven't really talked at all about the two programs that came over from the feds. That's actually what I hear about the most in my constituency office: the skills training piece; the Employment Ontario and the self-employment benefits. I must say that there's a certain amount of frustration, not necessarily around the rules but around the timeliness of

getting responses to applications. That would be the thing that I hear about.

1450

I do hear about things like, for example, under the self-employment benefits program—it almost sounds like people are being denied the program even though they may be technically qualified. It seems to be a volume issue. Are there thresholds on that one for the maximum number of people who can go into the program?

Ms. Deborah Newman: I'm going to ask Kevin French to respond to that one.

Mr. Kevin French: Thanks for the question. We certainly try to respond to the requests you get as an MPP in a timely way.

I'm going to start with the process around skills development and self-employed benefits. As you mentioned, and as the Auditor General has commented in his report, there are clearly areas of friction as clients move through the system, and you are experiencing that, as an MPP, at times. The system we inherited from the federal government, transferred to the province—we basically have parallel systems running at a community level, in your riding and in your communities. Our job, with our service providers, whether it be the local college or the Y or whoever is providing services, is to make sure we're connecting people to the right service, which in some cases is a challenge.

The two specific programs, the skills development program—an individual who is laid off is assessed. There's a consultant who sits down with that individual and assesses whether training is the right option for them to pursue. In an ideal world, it takes five days for an individual to come in and be seen by someone in an assessment centre. We have cases where there are significant layoffs—and your community is one of those—where that service target may not be met. We've taken measures to address them, and I can talk in more detail about that.

When they're assessed, if training is the preferred option by the individual, we ask the individual to actually explore what training options they have. The Auditor General, again, comments on that. We ask the individual to go out and research and say, "Make sure that the training you're pursuing is the best for you as an individual." So it's client-focused. That can take some time. We've made some changes to that since we've had the program to make sure it's not overly onerous and that they are exploring three options for training and that isn't seen as a barrier.

The next step is sitting down with the individual and asking, "If you're pursuing training, what income support do you have, and how are you going to live as you're going through the training process?" That takes some time as well, because we're talking about an individual who has been laid off. It's a traumatic situation. We're asking them to go through a number of steps because, from a public administration point of view, we're investing a significant number of public dollars in them so that they can go off and do training to carry forward.

The next piece that you may hear about as far as an area where there is sometimes some friction is if they say, "I've decided I want training, and I want to start it tomorrow." The training may not start for a month; it may not start until the next big intake at a college. We've taken some steps to address that as well. Then there's the monitoring of the client as they undertake the training over a period of time.

So it's a program that is client-centred. From a program administration point of view, we ask for a lot of steps to be undertaken by the clients to get them through the process, and that's where you will hear some frustration.

The next is if we actually say no. If we say no to training, the process is that an individual gets feedback on why they're being turned down for training. In most cases, the training is either longer-term or at a higher level than we're willing to support. A good example is if they say, "I want to go back and become a teacher at a university." This is not what the program is set up to do. The second is around whether you're actually unemployed and meet an "unemployed" criterion. A number of individuals—and, I know, from your particular riding—anticipate being laid off and want to be proactive and get going. The rules that are in place prevent that from happening. That's a real problem and we see that every day.

As far as why we're denying, the third area is around the school not being registered. We have our public colleges, but we also have a lot of training undertaken through the program that was reviewed by the auditor for private career colleges. We need to ensure that those private career colleges are registered with the ministry to ensure they offer good-quality training. So those are three of the reasons a constituent will come to your office.

The recommendations that are put forward by the Auditor General I think, from administering the program, are very balanced. We had undertaken to make some changes to the program when we inherited the program. I think the Auditor General points to cost variation in a

client getting training. A very concrete example, which is in the report, is a dental hygienist versus a dental technician. One is an investment of \$56,000. Could it have been done a lot more cheaply and more effectively? The answer is yes. So we have put a cap in place of \$28,000. To go beyond that requires an extra level of oversight to ensure that it's related to dependant care or child care expenses—that there's a reason that we would go beyond that.

The only other thing—and I'm happy to entertain some follow-up, because there has been a lot of interaction among MPPs' offices and my staff over the last while—that is pointed out here in the Auditor General's report: Our primary consideration was making sure that we had uninterrupted service for what was transferred to us. We obviously see that there's room for improvement and we've taken some small steps, but when we look at training in a customer-driven model going forward, there are bigger things that we will focus on over the next while.

Now, the reality is that with the significant number of layoffs, with a significant demand for training, you are using the programs we have in place to make that happen.

Interruption.

Mrs. Liz Sandals: And I think we have a bell going, Chair, so I'll just follow up with you privately.

The Chair (Mr. Norman W. Sterling): Thank you very much. I'd like to thank all of the participants here today. As a follow-up, we asked some questions and I think you're going to forward some information to us to those questions.

If the rest of the witnesses and the staff would leave fairly soon so we can have just a brief discussion with our researcher with regard to giving instructions as to how we might want the report prepared.

Thank you very much. We appreciate your attendance here and look forward to receiving that additional information. Thank you.

The committee continued in closed session at 1455.

CONTENTS

Wednesday 13 May 2009

2008 Annual Report, Auditor General: Section 3.08, employment and training division.....	P-371
---	--------------

Ms. Deborah Newman, deputy minister, Ministry of Training, Colleges and Universities
Ms. Marie-Lison Fougère, assistant deputy minister, strategic policy and programs division
Mr. Kevin French, former assistant deputy minister, employment and training division
Ms. Patti Redmond, director, programs branch, strategic policy and programs division

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Rosario Marchese (Trinity–Spadina ND)

Clerk / Greffier

Mr. Katch Koch

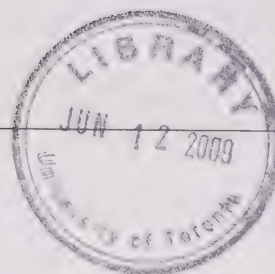
Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

P-22



ISSN 1180-4327



P-22

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 3 June 2009

Journal des débats (Hansard)

Mercredi 3 juin 2009

Standing Committee on Public Accounts

Special Report,
Auditor General

Comité permanent des comptes publics

Rapport spécial,
vérificateur général

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 3 June 2009

Mercredi 3 juin 2009

The committee met at 0903 in committee room 1.

SPECIAL REPORT, AUDITOR GENERAL

The Chair (Mr. Norman W. Sterling): Good morning. Because we have a motion in front of the committee, the clerk has arranged for Hansard to be here and to have this as the open session. We will go to our normal closed session in terms of writing reports after we deal with the motion.

I'm going to ask Mr. Hardeman to put the motion first, and then I'm going to have Mr. McCarter make a few comments regarding the background to this motion.

Mr. Ernie Hardeman: I move that following the Auditor General's completion of his value-for-money audit of eHealth Ontario, the Standing Committee on Public Accounts of the Legislative Assembly of Ontario calls on the Auditor General to release that chapter of his annual report in a special report to the Speaker; and

That prior to the tabling of this report, the Auditor General may inform the Deputy Minister of Health and Long-Term Care of his opinions, observations or recommendations.

The Chair (Mr. Norman W. Sterling): Mr. McCarter, would you have some information that's relevant to this?

Mr. Jim McCarter: Just by way of background for the committee members, as you know, we do 14 or 15 value-for-money audits each year, and this was one that we did start up. It was probably the last one we started up. We got it started up probably in December of last year. As the members may recall from our audit of the infectious diseases, the C. difficile, at the hospitals, under the Auditor General Act I have the mandate to table all of my value-for-money audits—basically, report once a year in an annual report. Consequently, this particular audit would be along the lines of any one of our value-for-money audit reports, and it would be tabled, as is our practice, in early December in our annual report. I think the minister has actually mentioned that in the House, did make it public that we were in the process of doing an audit of this area. As the members may recall, last year the committee did pass a motion with respect to the infectious diseases at the hospital. We tabled a report as soon as it was completed. So under normal circumstances, this would be tabled as part of our annual report.

I should make the committee aware, though, that I have been out of the country for most of the last week. I did get back mid-day yesterday, and I immediately had a conference call with David Caplan, the health minister, to discuss very briefly the work that we were doing. I did apprise the minister that while we were doing the work—and I was aware of the Premier's comment in the House that he would welcome any recommendations we had sooner rather than later—this would likely not be reported until December in our annual report unless, under section 17 of the Auditor General Act, he, as the minister, were to request that I table it on completion. The minister indicated to me that he thought that might be a good idea and, essentially, that he would take it under advisement. Anyway, later that afternoon I did get a letter from the minister indicating to me that he would be requesting that, under section 17 of the Auditor General Act, I make the report available once we had completed the audit.

The Chair (Mr. Norman W. Sterling): I should allow Mr. Hardeman—

Mr. Ernie Hardeman: Thank you very much, Mr. Chairman, and thank you to the Auditor General for bringing that forward.

Obviously, that somewhat does the same thing as this resolution, but having put the resolution, I would still like it voted on and passed here to make sure that the committee is in agreement with that.

I think we had the same debate for the C. difficile—and I have the Hansard here of it—of the requirement to ask the Auditor General to do this. I think, for consistency's sake, that it makes good sense that our committee follow that same process here. The reason, of course—with the C. difficile one, it was because of the health risk that the public could be exposed to while they were waiting for the report that could be mitigated if we got that report early. So one could say that this one is slightly different.

The reason that I am introducing this motion has to do with the fact that I think this one—with the other one, the problem could be measured. It seems to me that there are no measurable results for what is happening at eHealth. We know what they're looking for in the end, but there's no way of judging whether what they're doing has value for money until we get to the finish. There has been an awful lot of information that has come out that's, in my mind, a little scary as to what's going on there, and we have no way of deciding that changes should be made

now before we get to what would eventually be the end result. So that's why I think it's so important that we get an earlier report on this process.

The other thing: I didn't know that the—great minds do think alike, so I should have known that the minister would have come to the same conclusion. I know you're going to assume that I'm referring to my mind and his, and I'm not. I realize that in the press yesterday the Premier said, "I understand that the auditor is looking at this." If he wanted to come out with recommendations sooner rather than later, we would welcome those as well. So when I'm speaking of great minds thinking alike, it's mine and the Premier's, rather than mine and the minister's.

With that, I'm putting this motion forward—and I hope that the whole committee would support it—to move this forward to get the results from this as soon as possible so we can deal with any challenges that the eHealth process is causing to the people of Ontario.

The Chair (Mr. Norman W. Sterling): Mr. Bisson.

Mr. Gilles Bisson: Just to say that the New Democratic caucus will support that recommendation or request by the Conservative Party that we vote on this for the reasons that were just enunciated by Mr. Hardeman. Just to make sure we're clear that everybody's on the same page, this information should be made available as quickly as possible. So my question to the auditor is simply this: When do you expect to have the work done on that audit?

Mr. Jim McCarter: As indicated, it was probably one of the last value-for-money audits that we got started. Normally we'd be kind of wrapping that up in late summer, or September at the latest; however, we are having discussions as to what we can possibly do to expedite it. Given that there has been a fair bit of discussion in the Hansard, there are a couple of areas where we may do a bit of extra work as well, I should add. So, ballpark, we'd normally be looking at August/early September, but we are going to look to see if we can expedite it.

Mr. Gilles Bisson: The last question, is there any kind of interim information that you would be able to table prior to your final part of this value-for-money audit?

Mr. Jim McCarter: It's probably too early a stage to comment on that. We did talk about whether it would be possible to split the—yesterday, not telling tales out of school, but we met quickly before I had a chat with the minister and we did discuss whether it would be possible to maybe split the report and issue two reports. Our initial reaction is no; it would make it more difficult to really understand the substance of it. So it's a possibility but not a probability, if I could put it that way.

Mr. Gilles Bisson: So it wouldn't be impossible for you to give an interim report prior to finishing this value-for-money audit on that particular—

Mr. Jim McCarter: If we did an interim report, it would have to be on certain components of the audit where we completed all our work, but I suspect that the items of the most public interest may not be those items.

The Chair (Mr. Norman W. Sterling): Any comment over here? Ms. Sandals.

Mrs. Liz Sandals: Just to say that I concur with the auditor in terms of, we had a similar discussion last year around C. difficile and gave the direction from the committee to release that early. As the auditor has mentioned, the minister has also asked for the audit to be released as soon as it's complete, so I think we're all in agreement. I would ask for a recorded vote, please.

The Chair (Mr. Norman W. Sterling): Any further discussion? No further discussion.

Ayes

Albanese, Hardeman, McNeely, Ouellette, Sandals, Van Bommel, Zimmer.

The Chair (Mr. Norman W. Sterling): I'd just note that M^{me} G  linas had to step out to the House for a few minutes, and that's the reason she's not here. Okay? Carried. Thank you very much.

We'll now go into our closed session.

The committee continued in closed session at 0913.

CONTENTS

Wednesday 3 June 2009

Special Report, Auditor General	P-391
--	--------------

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Ernie Hardeman (Oxford PC)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Michael Prue (Beaches–East York ND)

Also taking part / Autres participants et participantes

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Research and Information Services

P-23



P-23

ISSN 1180-4327

Legislative Assembly of Ontario

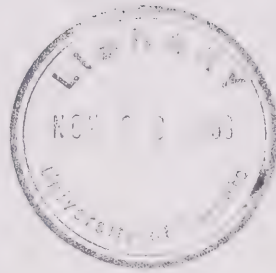
First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 21 October 2009



Journal des débats (Hansard)

Mercredi 21 octobre 2009

Standing Committee on Public Accounts

Special Report,
Auditor General

Comité permanent des comptes publics

Rapport spécial
Vérificateur général

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 21 October 2009

Mercredi 21 octobre 2009

The committee met at 0933 in committee room 1.

COMMITTEE BUSINESS

The Chair (Mr. Norman W. Sterling): I call the meeting to order.

Having received some motions or indication of motions from Ms. Gélinas of the New Democratic Party, I asked the clerk to have the meeting open this morning and have Hansard here as well. I believe there may also be some questions of the auditor with regard to the report, which might be better if put on public record so that people can read the answers to those specific questions as well. Then we would go into the closed session after that, in dealing with any further questions that we have on the report. Since we've already been briefed on the report, I suspect that the closed session would be relatively short. Then we're going to return at 12:30 for the open session, when we will have Mr. Sapsford, who has indicated he will give opening remarks for 15 minutes, and Ms. Burak will be giving opening remarks for five minutes. That's the plan for today.

First of all, I'll ask Ms. Gélinas: Do you want to put forward your motions?

M^{me} France Gélinas: Yes, please. I think the first one should be more of a formality than anything else, because I actually asked the same question to the Premier yesterday and he already answered it. But I'll put it on record, and it goes as such:

I move that the Standing Committee on Public Accounts immediately request that the Auditor General conduct spot audits on the use of consultants by the Ministry of Health and Long-Term Care, the 14 LHINs, and Ontario's hospitals.

Do I get to speak to it?

The Chair (Mr. Norman W. Sterling): Yes, go ahead.

M^{me} France Gélinas: Okay. I'm certainly open to having an all-party committee to further define exactly what we want, but basically what the motion talks to is that the use of consultants within the Ministry of Health has shaken public confidence in our health system. By giving the auditor the direction to conduct public spot audits at the Ministry of Health, at the LHINs and at the hospitals, it would be an opportunity for us to bring forward data to help people regain confidence in our health care system and, more specifically, in the Ministry of Health.

As I said, I asked this question of Premier McGuinty yesterday and he already agreed to it.

Mr. Norman W. Sterling: Perhaps before we get into a debate on the motion: Would I ask the Auditor General to comment on this practice and what kind of resources would be necessary in order to do it and whether he does this kind of thing on a normal basis?

Mr. David Zimmer: Mr. Chair, I just wanted to ask a question. I have what I think is a friendly amendment to your motion which, in my view and in the view of the members of this side of the committee, enhances the intent of the motion. When can I bring that amendment? And I do have a question to the auditor, just before I bring the amendment, which I think is going in the same direction you are, Chair, so I'll take my lead from you.

The Chair (Mr. Norman W. Sterling): Perhaps you could circulate the amendment, if you have a copy of it. Have you given a copy to the clerk?

Mr. David Zimmer: No, I haven't.

The Chair (Mr. Norman W. Sterling): Do you have it written?

0940

Mr. David Zimmer: Yes. It's just a phrase. I can read it into the record.

The Chair (Mr. Norman W. Sterling): Sure. Why don't you go ahead.

Mr. David Zimmer: All right. I move that the Standing Committee on Public Accounts immediately request that the Auditor General—here's the amendment now—at his discretion, conduct spot audits, and the rest continues. So the only amendment is "at his discretion."

I propose that amendment because as I understand it—I think this was your question to the Auditor General, Mr. Chair—the Auditor General already has the authority to conduct these types of spot audits, as contemplated in the motion. Number two, I think adding that phrase, "at his discretion," both clarifies and makes very clear the intent of the motion, that is, that he, at his discretion, can go in and spot audit at these various places. It's also a confirmation of that discretion.

I'm mindful of France's comment that it's more of a formality because the Premier in fact answered a question yesterday in question period that moves in the same direction as her amendment. So that's the intent and reasoning behind the proposed amendment.

The Chair (Mr. Norman W. Sterling): I will go to the Auditor General, then I'll go back to France and see if she has some comments on the amendment.

Mr. Jim McCarter: I guess the only comment I would make is that, as you know, under section 17 of our act, if the committee, the Premier or a minister of the House requests work, we do it. It's called a special audit. Typically, we would table the results of that work in the Legislature immediately on completion, as opposed to our normal practice under the Auditor General Act, which says that you basically amalgamate all your audits and report them once a year in the annual report. I would regard this as being along the lines of requesting a special report from my office with respect to the use of consultants at the ministry, the LHINs and again, across the 154 hospitals in Ontario, which could be a fair bit of work. That would be my interpretation of it.

If the committee was to pass a motion, as has been our practice, we would give it precedence in the office, even if it meant postponing other work that we had in place. We would regard this as a fairly high-priority request. I'm assuming that if the committee was to pass such a motion, the intent of the motion—there would be some urgency with respect to getting this work done.

The Chair (Mr. Norman W. Sterling): Okay. Were there any questions with regards to the Auditor General and his explanation? Ms. Sandals?

Mrs. Liz Sandals: Are you saying that—okay, let me put the concern up front. What Mr. Zimmer is trying to get at to some degree with his amendment is that we don't want it to be inferred that you should stop your work on your annual report, which is close to due, in order to do these spot audits. What we were trying to get at is that you have some discretion, including over the timing, so that you can complete your annual report and then—

Mr. Jim McCarter: Perhaps I can clarify that. Section 17 basically says that I can do work requested by the Premier, by a minister or the committee as long as I feel it doesn't take precedence over my regular work. I would not put this ahead of wrapping up our annual report, which I plan to table in early December. That would take precedence over this. However, we are starting up another 13, 14 or 15 value-for-money audits; we're just kind of starting them up right now. I would probably have a look at those and I would make sure that I can fit this work in, and if I had to reschedule some other things around or possibly even postpone one of those audits for a year, I would. That would be my interpretation—

Mrs. Liz Sandals: That's what we're trying to get at.

The Chair (Mr. Norman W. Sterling): Yes, Mr. Zimmer.

Mr. David Zimmer: Just to clarify, is it your view, Mr. Auditor General, that now, you do have the authority at your discretion to do a spot audit in ministry X on issue Y if you felt that was something you wanted to do?

Mr. Jim McCarter: Yes, I basically have the authority to do this type of work at any ministry at any time as I so choose, but I would interpret a formal motion by the Standing Committee on Public Accounts as being something that the committee would like the office to give

special consideration to doing. That would be my interpretation.

Mr. David Zimmer: But the choice of doing—I mean, as I understand the motion from France, the intent of the motion is to restate your authority for the Auditor General to go in at your discretion and audit ministry X on issue Y.

Mr. Jim McCarter: That's right. The committee is basically saying, "Auditor, at the end of the day, we know that if the committee gives you a motion, you will take that motion very seriously." I would regard the phrase "at his discretion" as being that "If you feel, in your opinion, that there's something so important that it should take precedence over the motion, that's your call, Auditor." So that's why I'm saying with respect to the annual report, I would not, quite frankly—in the next week or so, when we're scrambling to get the annual report done, I would, to be blunt, be spending no time on this motion. But a couple of weeks from now, when we get the annual report wrapped up and make the translation cut-off date—I'd probably have people looking at this, but we would basically be looking to see how we could conduct this work fairly quickly, how many hospitals we feel we would have to cover, and we would have to make a judgment call on the scope of that work, when we are going to do the work. But we would basically do that work—we'd start it up pretty quickly.

Mr. David Zimmer: And this is my last question. Do you feel that the amendment, "at his discretion," clarifies your authority and role?

Mr. Jim McCarter: I actually feel that a motion by the committee, a request by a minister or a request by the Premier would always be at my discretion as to whether it was inappropriately superseding my other work under the act right now.

The Chair (Mr. Norman W. Sterling): But not the Chair. The Chair would be different.

Mr. Jim McCarter: The Chair? Are we on Hansard?
Laughter.

The Chair (Mr. Norman W. Sterling): Mr. Arnott.

Mr. Ted Arnott: Just a very simple, straightforward question. I assume I know what a spot audit is, but is it defined in generally acceptable accounting principles or is it defined in law? What exactly are we talking about here?

Mr. Jim McCarter: I would have to say it's not a generally accepted auditing term, but I would say it would be as the layman would define it. Basically a spot audit I would define as, "Pick a sample of consulting contracts and report back to us on how you think they're being handled at the ministry, at the LHINs and at a cross-section of hospitals across Ontario." That would be my interpretation.

Mr. Ted Arnott: And I would presume that you would get easy access to the Ministry of Health. They'd let you in and out quickly.

Mr. Jim McCarter: I don't think—

Mr. David Zimmer: Sorry, I didn't hear that.

Mr. Ted Arnott: It would presume that you would have easy access to the Ministry of Health, your staff, and you'd be in and out quickly.

Mr. Jim McCarter: And the hospitals as well. I think if it was a motion by the committee and if I was getting pushback from the hospitals and I wasn't able to resolve it quickly, I would immediately report back to the committee with my concern.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas?

M^{me} France Gélinas: Just so that I fully understand, if we agree to the amendment to the motion, would we still get the special audit, as in we'll still get the report as soon as you're done? It's not going to be rolled up and have to wait until Christmas next year?

Mr. Jim McCarter: Yes.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): So, as I'm understanding your responses, Mr. Auditor, the amendment to the motion doesn't really change your reaction compared to if the motion was left as it was originally?

Mr. Jim McCarter: No, I'm certainly not concerned by having "at his discretion" specifically in the motion, but having said that, it doesn't affect my interpretation significantly.

The Chair (Mr. Norman W. Sterling): Okay. Enough discussion. We'll first vote on Mr. Zimmer's amendment to the motion.

All those in favour? Nobody being against, carried.

The second is, shall Ms. Gélinas' motion, as amended, carry? Carried.

Now, while we have Hansard still here—

Interjection.

0950

The Chair (Mr. Norman W. Sterling): I'm sorry. You have a second motion?

M^{me} France Gélinas: I do. Shall I read it—

The Chair (Mr. Norman W. Sterling): Please proceed, yes.

M^{me} France Gélinas: Thank you. I move that the Standing Committee on Public Accounts immediately request that the Auditor General examine compensation for senior executives in the health sector, and specifically whether it is appropriate for senior government officials to be compensated by transfer payment agencies and whether this practice poses a conflict of interest.

Here again, I'm certainly willing to work with all parties to further define the work that we want the auditors to do, but, at the core, what this motion is asking is—we now know that senior ministry executives are being paid by hospitals; by a transfer payment agency of the ministry. So this is to look at how often this practice is used, as well as whether any of those people have run into a conflict of interest when they're paid by the hospital that they are there to govern.

The Chair (Mr. Norman W. Sterling): Okay. Perhaps I would again ask the Auditor General to make an initial response and then we'll have a debate on the motion.

Mr. Jim McCarter: Just by way of background, actually, in 2005 we did report in our annual report concern with respect to secondments from outside entities working at ministries and being paid through those outside organizations. We did report that we saw about 200 of those instances. We did report that about two thirds of those did relate to the Ministry of Health and Long-Term Care and that a significant portion of those were secondments from hospitals. We had expressed our concerns about this in the past.

In 2007, we did a follow-up. As you know, two years after we do an audit, we follow up all of our recommendations. We had a recommendation in that area, and the ministry indicated that they were developing a policy to address the use of secondments of this nature. However, at that time, we found that there had been no significant change, at least at the Ministry of Health.

That's just by way of background, that we are familiar with this issue. We had expressed concerns in the past, and basically, if the motion was passed, we would go back and we would probably do a specific piece of work on this issue across all the ministries. I expect this would be a somewhat smaller piece of work than the first motion, given that we've got 156 hospitals in the first motion. So we're familiar with the issue.

M^{me} France Gélinas: Just a technical question: Given that it has been studied in 2007 and it has been followed up in 2005 to 2007, does it stop there? If the ministry said they were developing a policy, will this committee ever see that policy? Where does it go from there?

Mr. Jim McCarter: Basically, once we do a follow-up, sometimes the committee will select it for hearings. They will select one of our follow-up sections, and in that case the minister will be brought back before the committee and, typically, there will be a discussion on the follow-up actions that were taken.

If the committee does not select that section for a hearing, generally, until we go back in and audit the program again, basically we wouldn't—I'll be blunt—do any work in the area until the next time we went back and audited the program again. That would typically be between five and seven years. So this would be something that it could be a year or two before we get into it again.

We weren't auditing that specific area; we were looking at the whole area of the use of what we call "temporary help" across the government. It was temporary help through short-term contracts. Was temporary help being used cost-effectively? So it was a government-wide audit on temporary help: How was it acquired? Was it being tendered? Was it being acquired cost-effectively? It was that type of an audit, and one of the things that we noted in the audit was the use of these temporary secondments. It probably wasn't the major concern that we raised in the temporary help audit, but we felt it was significant enough to report to the Legislature.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Arnott?

Mr. Ted Arnott: The conclusion of the motion asks the Auditor General to comment on whether this practice

poses a conflict of interest. I would just ask you, Mr. McCarter, within your purview as Auditor General, is that an appropriate thing for you to be doing? Is it something that you normally do?

Mr. David Zimmer: Sorry, Ted, I can't hear you.

Mr. Ted Arnott: I'm asking whether it is within the purview of the Auditor General to comment on conflict of interest matters, including the statement in the motion.

Mr. Jim McCarter: My sense would be that we'd probably pay a bit more attention to that issue, given that it was in the motion. If we think something is a potential conflict of interest, we do comment on it.

An example in the eHealth report that we're going to be discussing is that one of the acting vice-presidents who was appointed by the CEO at that time was the managing partner of a consulting firm, so we expressed a concern that there could be the perception of a conflict of interest in that you had a vice-president of a crown corporation, who was basically giving work out to a number of consulting firms, being the managing partner of a consulting firm. We said this would be an example of somewhere we think there could be the perception of a conflict of interest, and you've got to be careful when you're doing things like this. I don't know if that's a relevant way of answering your question.

Mr. Ted Arnott: Yes, I appreciate that. Thank you.

The Chair (Mr. Norman W. Sterling): Could I just ask for clarification, Auditor General? What would the expectation of the committee be if this motion was passed, in terms of a report by you?

Mr. Jim McCarter: Even though the prior motion didn't talk about the reporting—sometimes the motion will actually talk about how it should be reported—my interpretation would be that I report back to the committee, but probably what I'd do is write a letter to the Chair saying while I'll be reporting back to the committee, I would like to table it in the Legislature currently. That would generally be how the practices worked in the past, that we would report to the committee.

In the case of the eHealth request, the minister requested that we table it on completion. Even though the minister requested it, basically the arrangement that I have with the minister meant that as soon as it was completed, I would be tabling it in the House. That would be my interpretation of it: that I would report back to the committee, but I would also be tabling it in the House on completion, as opposed to waiting for my annual report.

The Chair (Mr. Norman W. Sterling): Is that the intent of the mover of the motion?

M^{me} France G  linas: Oh, absolutely that the auditor reports back to the House as soon as his work is completed. We really saw this piece of work as being a small piece of work. I think so, anyway.

The Chair (Mr. Norman W. Sterling): Ms. Sandals?

Mrs. Liz Sandals: First of all, I think part of it is the disclosure piece: Do people really know what's going on? I think there has already been a commitment that that part will be taken care of. If I could just quote the

Premier in response to Ms. Horwath from yesterday's Hansard:

"That's why we have undertaken—I believe my honourable colleague knows this—to ensure that if you look up the salary of a senior bureaucrat working inside the Ministry of Health, that will be reflected under the Ministry of Health column and not buried away in some other hospital. Like my colleague, I disagree with that practice and that's why we're going to change it." It has already been announced that the disclosure piece has changed.

My particular concern with the motion, as I read it, is that it requests that "the Auditor General examine compensation for senior executives in the health sector." Then it goes on to talk about the secondment from transfer payment agencies. When I look at that first clause, that's a very large project, or at least it seems to be a piece of policy work, and I don't believe that that is within the mandate of the Auditor General to do that first piece of the work, which is to reflect on the policy of how senior executives in the health sector—which is quite broad, because we're now talking about hospitals and CCACs and LHINs and you can go on down the list—"to examine compensation for senior executives in the health sector."

1000

Quite frankly, I'm not sure exactly what the Auditor General is supposed to do with that, because it's not his job to create policy and make policy recommendations. It is to look at the implementation of existing policy.

This motion is too scattergun at the beginning. I can't support the motion because I think the disclosure piece has already been changed, and this broad thing at the beginning I don't read as being within the mandate of the Auditor General anyway.

You mentioned, Auditor, that you had done some previous work in this area specific to health, that there had been a response in the follow-up, that the Ministry of Health said it was going to do some policy work in the area, but that never really seemed to get follow-up.

I would have no problem with the committee asking the Chair to do a follow-up letter. I think it's within our mandate as a committee to say to the Ministry of Health, "You told us two years ago that there would be follow-up work done. Let's see the follow-up work that you told us two years ago was going to be done." That would get us directly at what the Ministry of Health is doing about this issue, in a way that doesn't sort of drag in other pieces of work and which would just be a follow-along to the previous work.

I hadn't realized you'd done that, but now that you've drawn that to our attention, that would seem to be a way to get at the issue directly without dragging in all sorts of other strands and creating more work for the auditor, when we just created more work for the auditor.

The Chair (Mr. Norman W. Sterling): Was the thrust of your motion to examine the quantum of the compensation, or justify the quantum? Or was it to examine the forms of compensation that people were receiving?

M^{me} France Gélinas: When I first opened up, I said I'm quite willing to use all three parties to further refine, and I'm still open to this.

From the comments that the auditor made, he understood it the way I intended it to mean. Liz, if you are worried that this makes it too broad, I am quite willing to refocus it to the way that the auditor has understood it and intends to do the work, which is basically to focus on how compensation is paid, as in, is this secondment something that we see a lot of, and are there other forms of creativity for paying executives that we should know about, with the view of protecting the public purse?

I'm really grateful that things will be clarified now, in that the sunshine list will be under the Ministry of Health, or the ministry where it belongs. I think this is a step in the right direction.

But what we're asking the auditor to do is basically the way he understood it when he made his first remarks.

The Chair (Mr. Norman W. Sterling): Can I make a suggestion? I think that, first of all, the Auditor General has some difficulty with one part of the motion. Maybe it would be prudent for you to consider withdrawing the motion and bringing it back next week, after you have worked out the various details of it. So perhaps you'd respond.

M^{me} France Gélinas: Sure.

Mr. Jim McCarter: My understanding is, the intent of the motion is to find out how many and to what extent senior executives at the Ministry of Health and its crown agencies are being compensated and paid by transfer payment agencies, probably hospitals.

To examine senior executives in the health sector, that would include hospitals, so you'd be looking to see whether senior executives in hospitals are being compensated by transfer payment agencies, which is hospitals. So you may want to change the wording a bit, if that's the case.

M^{me} France Gélinas: The thrust of what I'm trying to do is exactly what you said. Even if we looked at the LHINs, how many of the LHINs' senior executives are actually on the payrolls of hospitals or other big agencies—universities or whatever else? How common is this practice? That's the thrust of it.

If examining compensation makes it worrisome for my colleagues, I'm certainly willing to refocus it. Because at the end of the day, I wouldn't be surprised if there were senior hospital executives on the payroll of a different hospital.

The Chair (Mr. Norman W. Sterling): Okay. If you would like to withdraw the motion and present it again, we need unanimous consent from the committee for you to do that. Is that your—

M^{me} France Gélinas: Or if people are willing to—how about if I just say “that the Auditor General examine”? I don't know what word would make you feel more comfortable, Liz. Basically all I want to do is see how many are compensated by transfer payment agencies within the executive of the Ministry of Health, and is ABC, the agencies, boards and commissions—

Mrs. Liz Sandals: I would just say I would prefer the route that the Chair has suggested of withdrawing the motion. Certainly we would agree to that. Then maybe we can work over the week to see if we can get something—

M^{me} France Gélinas: Better wording?

Mrs. Liz Sandals: —to get at the issue that doesn't drag in things that I don't think you intend, which right now it does.

The Chair (Mr. Norman W. Sterling): I think we have a practical problem too.

Mrs. Liz Sandals: Yes, we're running out of time.

The Chair (Mr. Norman W. Sterling): We're at 10 after 10, and there are some questions of the Auditor General and we still have a briefing, supposedly, to take place.

M^{me} France Gélinas: I guess I need unanimous consent.

The Chair (Mr. Norman W. Sterling): Okay. Do we have unanimous consent to allow—

Interjection: Agreed.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Thank you. Okay, now—

Mrs. Maria Van Bommel: Mr. Chair, just one question of the auditor: France is asking about transfer payments and transfer agencies and that sort of thing, but I know that in some situations, especially in hospital situations where you have small hospitals, the CEO is actually getting a salary from both hospitals because he is CEO for both hospitals, and it is legitimate. It isn't a case where they're trying to hide it or get him out from under the sunshine list.

Is there a way, when we pursue this, that we make sure that we don't identify the legitimate types of situations and group them in with others where there is some attempt to make a change or to hide something?

M^{me} France Gélinas: I want him to identify the legitimate ones, because the idea of this is to regain confidence, and if they're doing it for good reasons, everybody should know. It's just transparency. It's just to make people realize that it's not because people are bad that they're doing those things; it's because they want to make the system work.

Mrs. Maria Van Bommel: Thank you. That's good.

The Chair (Mr. Norman W. Sterling): Okay. Now, I'm asking, while we have Hansard here, are there questions of the Attorney General that people would like on record? Mr. Arnott?

Mr. Ted Arnott: Auditor General.

The Chair (Mr. Norman W. Sterling): Auditor General. What did I call you?

Mr. Ted Arnott: Attorney General.

Mr. Jim McCarter: What does he get paid?

Mr. Ted Arnott: Norm was the AG.

The Chair (Mr. Norman W. Sterling): I was the AG, yes. I'll not talk about the compensation levels of the AG, or the Auditor General either. Go ahead.

Mr. Ted Arnott: No, I'm sorry. I just wanted to correct the Chair.

The Chair (Mr. Norman W. Sterling): Are there any questions of the Auditor General with regard to the report that you want on Hansard?

Mrs. Christine Elliott: We may have some questions following the briefing, but not at this point.

The Chair (Mr. Norman W. Sterling): Okay. We're going to go in camera at this point in time.

The committee continued in closed session from 1007 to 1204.

SPECIAL REPORT, AUDITOR GENERAL

The Chair (Mr. Norman W. Sterling): We've only got about 20 minutes left before we start our hearings, so we're going to go with—as we are. Now, you had some questions?

Mr. Ted Arnott: We do, and we would appreciate the opportunity to raise a couple of issues.

In the interests of time, because our time is limited, we're going to ask about page 11 of your report, Mr. McCarter. In it—

Mr. Jim McCarter: Could you speak up a little bit, Mr. Arnott?

Mr. Ted Arnott: In it, you talk about "Procurement at eHealth Ontario." It says here: "In addition, we were aware of the allegations that 'party politics' may have entered into the awarding of contracts and that those awarding the contracts may have obtained a personal benefit from the firms getting the work—but we saw no evidence of this during our work."

I'm just trying to understand this statement that you made in the report, relative to the mandate that you have, and how you drew that conclusion and on what basis you drew it.

Mr. Jim McCarter: Essentially, when our staff was going out and doing the work, we indicated to them that, you know, "Here are some things we want you to keep an eye out for." And we did say to them, "There have been allegations of sole-sourcing, favouritism, contract extensions and party politics. Always be aware, if you think there might be situations where somebody's getting a benefit." So we basically say to them, "These are the things that we want you to keep an eye out for." If there are any names of individuals that we want them to keep an eye out for, or any firms that we're aware of, we say to our staff, "When you're going through the files, keep a sharp eye out for this, because we want to know if you see anything."

Essentially, we go through dozens and dozens of basically files and contracts and say to the staff, "Keep an eye out. If you think you see anything like this, even if you suspect there might be something, we want you to bring it forward to Paul Amodeo or myself." We know we're going to get the question. The reason—you might ask, "Why would you put this in your report?" We know we're going to get the question, "Well, you know, Auditor, did you come across anything like this?" So essentially, we told our staff, basically, "Keep your eyes open, and if you see anything of this nature that maybe

doesn't pass the smell test"—and we saw lots with respect to favouritism, sole-sourcing and contract extensions, but we didn't see anything which would indicate to us that there was any party politics.

Having said that, we didn't conduct a specific investigation with respect to this. All we're really doing is trying to say to the Legislature, "We kept our eyes open for this but nothing came to our attention."

Mr. Ted Arnott: How would you instruct your staff to look for examples of political favouritism? What would they be looking for, exactly?

1210

Mr. Jim McCarter: What they would be looking for is often in the files—you wouldn't see that sort of thing, say, in an official contract, but typically in the files there are often handwritten notes; there are often memos. It could be a typewritten memo and we see notations written in; often we have copies of e-mails. So that's the sort of thing that we would say to our staff, "When you're flipping through the file, don't just look at the contract. If there are any e-mails, notations, keep your eyes open for this sort of thing when you're flipping through the file." That's basically the direction that we would give them.

Mrs. Christine Elliott: Just one further question: Did you investigate any party ties or any political affiliations at all in the course of the work that you were doing? Is that something that you looked at?

Mr. Jim McCarter: An example would be, if we were aware of a name, such as there's a chap by the name of Ronson, I think we might have said to our staff, "If you see this name"—and there were a couple of names we were aware of—we would say, "highlight that for us. We'd like to see it." But we didn't do any specific work where, let's say, in the case of—I'll give you an example: A couple of years ago we did some work on some immigration grants. Again, it was the same sort of thing; we really kept our eyes open in that particular audit for instances where it would come across our staff's attention, but we didn't do specific work to investigate specifically, "Were there political ties?" What we did do was basically say to our staff, "We're aware there have been allegations of this. Keep your eyes open." I wouldn't want to say that our work would have been comprehensive enough to allow someone to conclude that on all of these contracts, without a doubt, we're concluding that there definitely weren't political ties. All we're saying is, we kept our eyes open; we didn't see any evidence of it. Is that—

Mrs. Christine Elliott: Yes. Just a final comment: When you say you kept your eyes open, would it be fair to say that wasn't a formal part of your audit, then? The scope of your audit—you weren't aiming at looking at that? Is that fair to say? You were looking at something else.

Mr. Jim McCarter: The best way I could put it would be that it wasn't the primary focus of our audit, but we were aware of it. The best way I can describe it is just as I said: We say to our staff, "Keep your eyes open

for this sort of stuff.” But it wasn’t the primary focus of our audit. As I indicated, actually, the whole area of procurement—it was a focus of our audit, but probably a bigger focus of our audit was: We spent \$1 billion; what did we get for \$1 billion?

The Chair (Mr. Norman W. Sterling): How many names would you have been looking for? You named Ronson. Were there another five or another three?

Mr. Jim McCarter: I’d have to go back and look, but two or three. But these would only be ones that we didn’t—we didn’t do any research into who could be politically tied, just the ones that we were aware of. We just said to our staff, “keep your eyes open for it.” It was more just, “keep your eyes open for it,” as opposed to being a specific, direct focus of our audit.

Mrs. Liz Sandals: Just following along on that, you did make a finding that—I’m not looking at a particular page, but my recollection is specifically with eHealth that you did make a finding that there was evidence of cronyism, that people’s past ties obviously influenced some of the contracts, although not party politics. I’m wondering what the direction there was. Was it, again, “There have been these allegations; keep an eye out for it.”?

Mr. Jim McCarter: I think the word we used was we felt there was “favouritism” in the sense that it looked like firms or individuals had the inside track. That would be based on, certainly, what the staff saw in the file, why someone was getting the contract and, sometimes, the fact that there was nothing in the file, really nothing at all—no tender, nothing in the file, no justification; it was essentially, in some cases, the CEO just making a decision, “I want this particular person” or “I want this particular firm,” with very little documentation.

Again, as auditors, after talking to the CEO, after talking to a number of people, after talking to the people in the procurement department, after talking to the lawyers, we have to come up with an assessment on and make a judgemental call on a particular contract, and there were some cases that we felt there was clear favouritism. People had the inside track on getting work.

Mrs. Liz Sandals: But again, that might not have been a formal part of your scope, but it was a finding that you made because you told your people, “Watch out for this,” and they watched out and they found out and it was a finding.

Mr. Jim McCarter: Yes, we told our people to watch out for sole-sourcing. We wanted to get a feel for not only whether something was sole-sourced, but also, you can get a situation where something is put out on vendor of record or a tender, and at first appearance or first blush, it might appear that it’s a competitive process, but when you actually look deeper into it, it’s clear, if I could put it this way, that the fix was in and it didn’t meet the intent of the competitive purchasing policy. So we would also say to our people, “Keep your eyes open. Don’t be snowed just because it looks like it might be a competitive process. Get down into the details and let us know what you think.” A lot of these are judgmental

issues, and they would bring it forward to Paul or some of the big ones or to myself, and we would basically make that call.

Mrs. Liz Sandals: So in that case, “Keep your eyes wide open” clearly led to a finding.

Mr. Jim McCarter: Oh, absolutely. That’s basically what auditors do: We keep our eyes open. But again, because some of our staff are more junior, we have to give them a bit more direction: “Keep your eyes open. This is specifically what we’re looking for.” Those would all be examples of things that we said to them: “Keep your eyes open when you’re doing the work.”

The Chair (Mr. Norman W. Sterling): Christine?

Mrs. Christine Elliott: With respect to your comment that the fix was in on some of these contracts, and specifically referring to the Anzen contract, I believe it was, where there were two bids for one contract submitted on the same day, were you able to come to any conclusions with respect to that? What were your findings as far as that was concerned?

Mr. Jim McCarter: Our sense was that in the example that you mentioned and some of the other ones, it was primarily because the person who awarded the work knew these individuals, whether they knew them as acquaintances or—in some cases, they knew them because they had worked with them in the past, and they felt, “This is who I want to do the work.” In our opinion that’s favouritism, to do that and award the work without allowing other people a fair opportunity to get the work. That’s a fairly harsh term for us to use, but we felt it was favouritism.

Mrs. Liz Sandals: One of the things that you talked about when you had your media conference, Auditor, and that seems to have sort of gotten lost in the translation in a lot of the press I’ve seen recently, is this whole notion around whether a billion dollars was wasted. That’s sort of the headline that came out of what you said. It wasn’t what I heard you say at the press conference, that a whole billion dollars was wasted. Could you more accurately describe what your finding is around—

Mr. Jim McCarter: Yes. I think what I said is that in our opinion we didn’t get full value for money for the billion dollars. I have seen that headline as well: “Auditor Says a Billion Dollars was Wasted.” That would be going too far. We basically felt that there is some value that’s going to be realized from some of that money, certainly on the infrastructure side, and also, while there are some delays and some issues with the applications being developed, some of that money is going to turn out to benefit the taxpayers.

What we said is that we spent a billion dollars and we don’t think we got a billion dollars’ worth of value.

Mrs. Liz Sandals: Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Arnott?

Mr. Ted Arnott: In terms of a previous answer to a question, you indicated that you had asked your staff to look for a certain number of names when they were looking for political party connections and so forth.

Would you be able to give us the list of names that you gave to your staff—

Mr. Jim McCarter: Do you know what? I'd certainly have to go back and kind of look at the work papers to see what we had in there. But the only one that comes to mind is, I think there was a chap named Ronson where we might have said, "Keep your eyes open for that." There might have been another one or two, but I'd have to go back and look at the work papers.

Mr. Ted Arnott: If there are others, we would appreciate seeing those names. Thank you.

The Chair (Mr. Norman W. Sterling): France is next.

M^{me} France Gélinas: Jim, in the press conference you said—and you refer to it—that the procurement rules—I've forgotten how you call this—were good, they were solid, but they were not followed and there was no oversight. Do you remember saying that?

1220

Mr. Jim McCarter: Yes, something close to that.

M^{me} France Gélinas: Something along those lines. If the procurement methodology was good, do you still feel that it needs to be changed, or it's the attitude of the people regarding those rules that needs to be changed, or whatever else? I don't want to put words in your mouth or anything.

Mr. Jim McCarter: I think what I tried to say is that the rules that were in place were certainly reasonable. Generally, you should not be sole-sourcing, but it doesn't mean that there can't be exceptions in an urgent situation, and the criteria for sole-sourcing were laid out very clearly in the rules. The rules that came over to eHealth Ontario were very similar to what was in place at Smart Systems and at the ministry. Quite frankly, our sense was that the rules were generally adequate, that if they would have been followed and the intent of the rules followed, there would have been a number of things that we saw that wouldn't have happened.

Since then, the government has further tightened up the rules. I suspect the motive behind that is, "Even the rules as they were written allowed too much judgment. So we're going to take away a lot of that judgment and basically make it black and white what you can and what you can't do."

But I think it was important for us to say that, overall, we felt there was a reasonably good set of rules in place. The major problem wasn't that the rules were deficient or lacking. The major problem from our perspective was that all too often the intent of the rules wasn't being followed and there needed to be better oversight.

M^{me} France Gélinas: If the system had worked, would the oversight have picked up the fact that some people were not following the spirit of those rules?

Mr. Jim McCarter: Normally the oversight would have picked up a lot of it. I'd have to say, in the case where you have a chief executive officer who's making those sorts of decisions in the case of eHealth Ontario, it's probably more difficult in that case to pick it up because some of your normal checks and balances would

not be in place because the CEO could basically make the decision, "I don't want this going through the normal procurement channels. I don't want the legal staff to look at this. I'm basically making the decision as the CEO." The CEO indicated to the board, "We're following the procedures that were put in place by the Smart Systems for Health Agency," but what was really happening was that there were exceptions under those procedures where something was deemed urgent, and our sense was that the former CEO felt that her marching orders were, "Get the job done. If you need to get good people in, get them in quickly and sole-source it," that that was justified. We felt that, in most of the cases, it didn't meet the intent of the procurement rules.

M^{me} France Gélinas: So the new, tighter procurement rules that have been brought forward would not have helped because it was still at the level of the CEO that—

Mr. Jim McCarter: It might have helped. It would have made it more difficult because the new rules don't give you some of what I call these outs, where, if you meet these types of situations and you can justify that it's urgent, you can sole-source or make that decision. The new rules, I gather, take that latitude totally away and say, "Thou shalt not." So then it's a more difficult decision for a CEO to say, "I'm going to do that because the rules are very black and white."

We've done a fair bit of work in this area. We did quite a bit of work at Ontario Hydro. I'd probably say that they had the Cadillac of rules. They had really strong rules, but we found the same situation: They weren't always following the rules. The rules at Ontario Hydro did allow, in certain situations, that if you have a transformer that goes out, you maybe don't have time to tender it out to three different parties. You've got to do something quickly, but it lays it out very clearly that you have to have these criteria in place if you're going to justify sole-sourcing and you'd better document it extremely clearly and outline the business rationale and get it approved before you go ahead.

The Chair (Mr. Norman W. Sterling): Ms. Elliott.

Mrs. Christine Elliott: In the interests of time, I'll just ask a double-barrelled question. One is that you had commented that it was difficult sometimes to tell whether there was value for the work done by some of the consultants. So my question is, is it possible that in some of the situations there was no work done for the money that was paid, and can you comment on the amount of work that was actually done overall and comment on the value that was actually received by taxpayers?

Mr. Jim McCarter: Theoretically, it's possible that not a lot of work was done by consultants who were billing, but my sense is that most of the money was spent actually operating the network. About \$800 million was spent by Smart Systems for Health, and probably around \$100 million to \$150 million was spent on the applications.

If I was going to look at where we had bigger value-for-money issues, it was probably on the fact that we were spending \$800 million getting the network up and

running. The network is hosting applications. I think I saw a comment in the media saying that there's no utilization. We never said that there's no utilization of the network; it's low utilization.

If I know where you're heading, your bottom-line question is, "Auditor, can you quantify how much of the \$1 billion we didn't get value for money for?" As I responded to Ms. Sandals' question, I think we definitely got value for money for some of the \$1 billion, certainly in the hundreds of millions, but I'd also say that it could be in the hundreds of millions, especially on the infrastructure side, where I'm not sure we did get value for money.

The Chair (Mr. Norman W. Sterling): Thank you very much, Auditor.

I'll now ask Mr. Sapsford to come forward. I believe you're in the back. Ms. Burak, you can come forward as well.

I understand from the clerk that the deputy minister has about 15 minutes of remarks and that Ms. Burak has about five minutes. Mr. Devitt, who is the interim chair of eHealth, is also sitting as a potential witness for the committee. I don't believe Mr. Devitt will be making a statement, but he will be there to answer questions.

Mr. Sapsford, nice to see you again.

Mr. Ron Sapsford: Thank you, Mr. Chair. It's always a pleasure to come to public accounts. I'd like to express my thanks to the Standing Committee on Public Accounts for this opportunity to address the Auditor General's special report on Ontario's Electronic Health Records Initiative.

The ministry welcomes the recommendations of the Auditor General on how to further improve the implementation of the electronic health record in the province. Each of the recommendations in the report has already been addressed and is well on the way to being implemented in full. I will comment on the portions dealing with the Ministry of Health and Long-Term Care, and my colleagues will comment on the issues relating to Smart Systems for Health and eHealth Ontario.

The report starts in 2002 and ends with the recent issues at eHealth Ontario. This retrospective lens has identified problems, but it also recognizes that there is now a credible plan in place, that there are multi-year funds allocated and that the consolidation of eHealth activities in the eHealth Ontario agency is the best approach for implementation. I'm confident that we are now on a direct path to ensuring that the government's investments will provide an electronic health record for everyone in the province.

The development and implementation of an electronic health record is a monumental undertaking, and it is essential that it continue. It is not only indispensable to the future of our health care system in this province but critical for improvements in the quality of care for patients. Notwithstanding the problems that the report has identified, I hope that the committee will recognize the value of the eHealth agenda and that it continue to move forward.

I want to start with the concerns raised by the auditor on the delay of the audit. The Office of the Auditor General and the Ministry of Health and Long Term Care enjoy a very strong and positive working relationship. Audits routinely involve a discussion around the scope of the inquiry, the areas to be examined, and the audit tests and evaluation measures to be used. This is usually accomplished without issue.

In the case of this audit, there was a difference in perspectives regarding the appropriate scope of the audit and the evaluation measures. The auditor wanted to focus on the electronic health record alone, while the ministry thought that a broader scope of the eHealth program was more appropriate. During this time the ministry was complying with requests for information as well as making staff available for interviews. However, the basic issue was not resolved until the auditor phoned me to explain the perceived lack of access, and the problem was immediately resolved. The auditor and I have subsequently discussed this issue and have agreed that this type of issue or problem in the future needs to be flagged to the auditor and the deputy minister earlier in the process to avoid unnecessary delays.

1230

The second issue raised was procurement, and there are two areas that I will comment on. One is the use of consultants, and the second is procurement management.

Many of the constituent parts of the electronic health record were started in different program areas of the ministry, with the idea that the software would be developed under ministry leadership and then transferred to Smart Systems for Health for operation. Each project was self-contained. Given that the ministry did not have the specialized technical skills required, and the fact that these were viewed to be time-limited projects, most were staffed with consultants. However, it became clear that this was unsustainable in the long term. Separating the development of the system from the operation of the system was unworkable. A strategic plan was developed which included the notions of one record for one patient, multi-year funding and integrated management. Consultations were held with the health care field and stakeholders in 2007, and the plan was accepted by the government in 2008.

The auditor's report notes a large increase in consultant use in 2008-09, and the main reason for the reported increase was that a number of consultants working in other ministry program areas were consolidated into this one program area. A second reason for the increase in 2008-09 was the ministry's decision to focus on the beginning development of the diabetes registry and the drug information system, which were both critical elements of the overall strategic plan. These initiatives were undertaken even before the new agency was established, due to their critical importance in the overall implementation of EHR. In hindsight, it would have been better to start with an integrated agency, but that is not the position in which the ministry found itself. Since then, eHealth Ontario has developed and is implementing

a plan to hire full-time staff and reduce the reliance on consultants. I know my colleagues will comment specifically on that.

I acknowledge that sound controllership and accountability are critical to proper financial management and expenditure control. Some mistakes were made in the management of procurement on these projects, but those errors have since been addressed. In July 2009 the government issued a new procurement directive, and in September 2009 it also issued a new travel and expense directive.

In my concluding comments, I want to deal with two other questions raised in the report: Why has this taken so long, and what value has been produced for the expenditures made?

Why so much time? As part of the first ministers' agreement in 2000, ministers identified the need for a health information and communications technology infrastructure to serve as the platform to support a broad range of health care transformations. Subsequently, the government of Canada created Canada Health Infoway in 2000 as an independent, not-for-profit organization mandated to accelerate the development and adoption of electronic health records across Canada. The provinces are required to apply for funding to Infoway based on specific components in Infoway's framework, known as the electronic health record solution blueprint, which was first published in 2003.

Ontario, like other jurisdictions, was waiting for this framework to develop its eHealth plans. Ontario submitted plans on a project-by-project basis, as I've described, and began implementing a number of the projects.

A secure network is also crucial, and so, in 2002, the ministry received approval for the Smart Systems for Health Agency to build a secure IT infrastructure or network while the ministry was to develop the programs or software that was to run on that network.

One of the criticisms about Ontario's progress is that it is near the back of the pack among other provinces, but I would argue that in many ways Ontario's challenge is greater. This is a large and populous province, with 150 hospitals, 14 CCACs, 36 public health units, over 3,000 pharmacies, 26,000 physicians and surgeons, and over 600 long-term-care homes and so forth. All of these providers, to a degree, have existing information systems. The challenge is to link them all together, extract from them the relevant patient information that they have, create new systems for information that they don't have, and provide it in a meaningful and coherent way to clinicians and patients.

This can't be done everywhere all at once. That's why the government changed its initial strategy to start with diabetes management. With a more limited population, combined with less requirement for clinical information, it would be more practical to test the concepts and provide more immediate results to justify continued investment in the future. The next phase would be to expand the system to other populations and clinical uses. EHealth Ontario published its implementation plan for

2009-12 on March 19, 2009, based on the government's approved eHealth strategy.

I want to give you a quick overview of the elements that are in place already to demonstrate how the significant investment, in my view, has produced some results. We do have a network that is Internet-ready. There is a functioning integrated public health information system to track infectious disease outbreaks, and it will soon be upgraded to include immunization records and vaccine management. This new system is called Panorama and is well on the way to being completed.

Government investments have provided technology upgrades to 3,300 physicians for electronic medical records in their offices. There are plans and funding in place for an additional 5,700 physicians over the next three years.

In 2006, the ministry merged the various telemedicine projects in the province into the Ontario Telemedicine Network. It is now one of the largest networks of telemedicine sites in the world and has made Ontario a leader in the field of telemedicine across the country. This too is part of the electronic health agenda.

The Ontario Laboratory Information System is an integrated and interactive information system that electronically connects communities, hospitals and public health laboratories, and stores laboratory data in a common repository. The diagnostic imaging and picture archiving system provides a repository for digital images produced by hospitals, and as of today, all Ontario hospitals have gone filmless and have the capability to digitally store, use and share diagnostic information.

Finally, diabetes: The work commenced in the ministry through consulting agreements has now been finished at eHealth Ontario and plans are in place to release a request for proposals to develop and implement the new diabetes registry.

The above are just a few examples of the many eHealth initiatives currently operating in Ontario. Progress has been made and will continue and, in fact, from my point of view, must continue.

EHealth will bring about the shift from paper-based record-keeping to fast, efficient and secure electronic sharing among authorized health providers while safeguarding the individual's privacy.

As I said at the outset, the development and implementation of an electronic health record has been a large and complex undertaking. It has taken significant amounts of time and resources to get us where we are today, but it is essential that we continue to work forward in order to bring about the improvements in quality of patient care and to secure the future of our health care system.

Thank you again for this opportunity, and at the appropriate time I'd be happy to respond to questions.

The Chair (Mr. Norman W. Sterling): Thank you very much, Mr. Sapsford.

I might invite anyone to remove their suit jackets. It's quite warm in here today. It wasn't our purpose to put the witnesses through undue hardship, so I invite you to take off your jackets if you would like.

I will now call on Ms. Rita Burak, the interim chair of the board of directors of eHealth Ontario. Ms. Burak?

Ms. Rita Burak: Thank you, Mr. Sterling and members of the committee, for the invitation to appear before you today to discuss the Auditor General's report and answer your questions.

1240

I want to say at the outset that the board of directors and the new management team at the agency fully embrace the Auditor General's report and are in full agreement with the recommendations contained in the report.

As the auditor's report indicates on page 14, since June 2009 we had already begun to address some of the procurement and accountability issues raised in the report. I would now like to summarize the actions we have taken to ensure that the problems identified in the report have been addressed and share our progress in implementing the Auditor General's recommendations.

With regard to recommendation 1, we now have a completed business plan framework which integrates the various initiatives underway at eHealth Ontario in support of the strategy's three clinical priorities and underlying foundational activities. It recalibrates deliverables in order to ensure that progress can be tracked and reported so as to assist the agency in being accountable for the delivery of results and tangible outcomes. It identifies and eliminates areas of duplication within the organization so that resources are focused on delivering the strategy, maximizing the value achieved for the resources—both human and financial—that have been invested in the organization, and it establishes benchmarks against which the board of directors may monitor progress. As indicated in our initial response to the recommendation, with this foundation we will now commence a process to develop a strategic plan that goes beyond 2012, in conjunction with the Ministry of Health and Long-Term Care and in consultation with stakeholders.

The second recommendation in the report deals with governance processes. In response to this recommendation, I can report that at the September meeting, our board approved a balanced scorecard for the agency. The scorecard provides project management and financial and performance indicators on each of the agency's initiatives, enabling the board to effectively monitor performance and ensure that initiatives are delivered on time and on budget. We have also approved a risk-management policy and process to ensure that the board and management are aware of risks to the achievement of goals and take mitigating actions to lessen or remove those risks.

In response to recommendation 3, and building on the business plan, we have already begun to rebalance the workforce at eHealth Ontario. When the ministry's eHealth program branch was transferred to us in April of this year, there were about 600 employees and 385 consultants. By September 30 of this year, the number was reduced to 286 consultants. In the next two months, the agency will make a further reduction to 234 consult-

ants, all of whom will have competed for work. By the end of the fiscal year, that number will be 160. This is an overall reduction of 225 consultants or 58%.

Given the systems development activities of our organization, some degree of variable workforce will continue to be needed. A 15% to 20% range of variable workforce is more appropriate for an organization of our size and complexity. I would also draw the committee's attention to our initial response to this recommendation, whereby we describe the strengthened policy and procedures adopted to better manage consultants.

Finally, to recommendation 4: The very serious issue of untendered consulting contracts at eHealth Ontario has, unfortunately, taken focus away from the important issues of patient care and progress toward an electronic health record. It has also undermined the public's confidence in eHealth Ontario. For this, I believe the people of the province are owed an apology.

I want to assure the committee that the board of directors and management of the agency have taken steps to ensure that the practices the Auditor General observed will not recur at eHealth Ontario.

In addition to a strengthened procurement policy, we have also put in place an improved delegation of authority policy. We have enhanced the controllership and organizational structure of the procurement function and strengthened the finance division's scrutiny of all payments. We will be vigilant in implementing this enhanced procurement framework. We have every confidence that, when the Auditor General conducts a follow-up audit, he will be able to report major improvements to this committee.

In closing, I want to thank the board of directors and all of the very hard-working staff at eHealth Ontario who have embraced the changes I've described and who come to work every day wanting to make a contribution toward patient care and progress on an electronic health record.

Thank you.

The Chair (Mr. Norman W. Sterling): Thank you, Ms. Burak.

We'll now be going to questions by the various caucuses. The normal practice of the committee, for those who are not familiar with our procedure, is to allow each party approximately 20 minutes of questioning, and then I will go to another political party to have their questions. We try to keep it as even as possible. If a party uses only 15 minutes, then they might get 25 on the next turn round. First off, I recognize the official opposition. Ms. Elliott.

Mrs. Christine Elliott: Thank you very much, Mr. Sapsford and Ms. Burak, for your presentations this afternoon. I do have a few questions, perhaps starting with Mr. Sapsford.

Is it correct that you were appointed as deputy minister in 2005?

Mr. Ron Sapsford: Yes, that's correct.

Mrs. Christine Elliott: And who do you report to, the minister or the Secretary of Cabinet, or both, in your official capacity?

Mr. Ron Sapsford: To both. I would suggest that part of my role is to serve the needs of the minister in completing her duties as a minister of the crown, but for internal organizational purposes, employment issues related to the Ministry of Health itself as an employer or as the OPS, to the Secretary of Cabinet.

Mrs. Christine Elliott: And with which—

Mr. David Zimmer: Mr. Chair, for some reason, it's very hard to hear. Can people speak into their microphones?

M^{me} France G  linas: And the TV is on as well. I can hear music.

Mr. David Zimmer: My colleagues can't hear either, neither the questions nor the answers.

Mrs. Christine Elliott: I'll speak up, then.

With which Ministers of Health have you worked, Mr. Sapsford?

Mr. Ron Sapsford: Three ministers: Minister Smitherman, Minister Caplan and now Minister Matthews.

Mrs. Christine Elliott: Starting with Minister Smitherman—I believe he was probably the first minister you worked with—how often would you meet with him during the course of a normal month?

Mr. Ron Sapsford: It would depend on the agenda, of course, or what was happening, but at least weekly, sometimes daily. It would vary depending on the issues in front of us.

Mrs. Christine Elliott: Did that vary with Minister Caplan, or was it more or less the same?

Mr. Ron Sapsford: More or less the same.

Mrs. Christine Elliott: And in between meetings, did you also have telephone conversation, e-mails, other means of communication?

Mr. Ron Sapsford: Not generally, no.

Mrs. Christine Elliott: So most of your business was conducted in actual one-on-one meetings?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: In the work that you did, did you get direction from Minister Smitherman? What was the nature of your relationship when you were discussing issues?

Mr. Ron Sapsford: On any issue?

Mrs. Christine Elliott: Yes.

Mr. Ron Sapsford: Generally, discussion with ministers, in my experience—and I'll generalize, if you will—is related to the agenda of the government: the policy; legislative or financial implications of that agenda; briefing on issues of implementation, so as the ministry is moving forward to implement new programs or new initiatives, reporting back on either progress or problems in implementation. But the focus of the discussion is on the government's stated agenda and the policy frameworks and/or legislation required to support that.

Mrs. Christine Elliott: With respect to Minister Caplan, was there any difference in terms of the nature of the relationship? To what extent did he direct you as compared to Minister Smitherman?

Mr. Ron Sapsford: On most things, I would say a similar relationship. They're very different people with

very different personalities, and sometimes the kinds of issues that would concern one person aren't of the same concern to another. Sometimes there are slightly different priorities, where a particular minister may want to focus their attention on different parts of an agenda—those sorts of differences. I couldn't categorize them for you.

1250

Mrs. Christine Elliott: I guess with respect to Minister Matthews it's probably too soon to tell, but I don't know if you want to make any comment with respect to direction or any style or changes in meeting schedules whatsoever with—

Mr. Ron Sapsford: No. Well, it's quite intense at the moment, of course. With a new minister, there's always that beginning sharing of information and making sure the minister has a broad set of information across the health files.

Mrs. Christine Elliott: And other than your contacts with the ministers, how often would you—or would you—meet with the minister's chief of staff?

Mr. Ron Sapsford: The minister's chief of staff? Frequently. The relationship between my office and the minister's office is quite a close working relationship. It must be. The amount of information that has to be communicated back and forth from the public service to the minister's office on a whole variety of issues is quite extensive, so there's a fairly close working relationship between the ministry and the minister's office.

Mrs. Christine Elliott: Could you comment on how frequently? Several times a day? Several times a week?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: Several times a day?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: Who actually held that position as the minister's chief of staff from when you were appointed in 2005 up until the present? Did you interact with several different people?

Mr. Ron Sapsford: Yes, several. And please don't ask me to list them all.

Mrs. Christine Elliott: Could you provide us with the list?

Mr. Ron Sapsford: Absolutely, yes.

Mrs. Christine Elliott: All right.

Also, who was the director at the ministry's eHealth program from March 2005 up until the present? Would you have that information?

Mr. Ron Sapsford: I can't be precise on the dates. The way eHealth was organized in the ministry changed a couple of times over that period of time. As I think I said in my introductory comments, many of the projects were operated in program areas. There was a small overall office that dealt with the development of the eHealth strategy, and that was a small group called eHealth. Then, I think in 2007, we consolidated the operation of individual projects together and created a larger program called eHealth. At that time, there was a change in the management of that program.

Mrs. Christine Elliott: And how often would you meet either with that individual or with that group to understand what was happening?

Mr. Ron Sapsford: My routine was that with senior management we would generally set up monthly meetings to review different files, but more frequently at the discretion of individual assistant deputy ministers. Again, it would depend on current issues.

Mrs. Christine Elliott: I'm just changing the focus slightly here with respect to some contract practices. Did the increase in the number of contracted consultants at the ministry since your tenure in 2005 concern you? Were you on top of it in terms of asking questions and wondering what was going on?

Mr. Ron Sapsford: When I came to the position, trying to establish where we were with respect to electronic health records implementation was a difficult assessment to make. As I said in my opening remarks, the broad strategy came as a national strategy. In 2003, there was the first definition of, what's the full extent of an electronic health record for the country? As I've said, the federal government financing was aligned to support that.

The basic approach had been to begin building components of the electronic health record, and Canada Health Infoway apportioned their money that way: so much for lab systems, so much for diagnostic imaging, and then money apportioned. So the ministry's response to that framework was to put forward proposals for those very specific software development projects.

The Smart Systems for Health Agency had been created, I think, in 2002. Their mandate was to develop the secure network that would be the carrier, if you will, of these systems into the future. So by 2005 and into 2006 it was clear, certainly to me and the ministry, that the network was out ahead, and the ability to develop the software to implement different programs was lagging behind.

There was also the broader question that kept coming up from Smart Systems. I think in 2006 we did an operational review partly as a result of some internal operating issues that the ministry felt needed to be examined, but also the broader question of what was the role and the function of the agency. Was it appropriate under the circumstances? In that review in 2006, one of the conclusions was that this separation between development and operation needed to be addressed, that to look at Smart Systems as bearing the full responsibility for not advancing electronic health records was an unfair assessment and that for the ministry, because it still had the responsibility for clinical application development, this was not the most effective way to move forward.

From that particular point, the ministry then developed the strategic plan, as it were. It took time to do that because there were many questions that needed to be addressed in order to secure the approval of the government for long-term investment. I would have to say this gets, in the long term, to the billions of dollars. It's a hugely expensive undertaking, so the due diligence that was required in order to secure the kind of commitment

that was necessary to sustain the implementation took some time.

In 2008, the government approved the plan, and part of that approval was to consolidate the software development with the operation. For a variety of reasons, it was seen as best to create eHealth Ontario, which was simply taking Smart Systems and expanding its mandate and role.

I'm sorry for my long answer.

The issue of consultants was that part of that plan, because we knew we couldn't sustain the implementation on the strength of consultants, was to transfer the responsibility for software development to the new agency. As part of that transfer, the new agency then would stabilize the workforce. Ms. Burak has started to talk about that reduction to create a more stable operating environment for the long-term implementation.

That is basically the facts of it. We were focused on project by project. There was a belief that the expertise required to develop these complicated software projects required consultants. The auditor takes issue with the extent of that, and I think he raises some fair points about that. But the longer-range view of how it was to be implemented, I would argue, was contemplated as we moved along. We're now in a place where that transition has occurred.

Mrs. Christine Elliott: When was the strategic plan finalized?

Mr. Ron Sapsford: It was approved in, I believe, May 2008. Then eHealth Ontario developed a more detailed implementation plan with some benchmarks and time frames, and that was published in March 2009.

Mrs. Christine Elliott: Then as part of this transition, as you were discussing, how involved was the Premier's office or the Premier himself in that?

Mr. Ron Sapsford: In the transition?

Mrs. Christine Elliott: Yes. Did he participate in that at all?

Mr. Ron Sapsford: I would have to say, to my knowledge, not at all. The transition, in our view, was establishing the structure and then focusing on how we go through the mechanics of transferring the budget and the consulting staff. At the beginning, eHealth Ontario was focused on taking the government's overall strategy and then turning that into a work plan that would extend from 2009-2012. Those were the initial parts of the work.

Mrs. Christine Elliott: Getting back to the consultants issue, did you receive any kinds of reports on any regular basis with respect to how many consultants were being contracted and what the costs of them were? Were there any warning signs that became apparent to you—the status of the use of the consultants, generally?

1300

Mr. Ron Sapsford: Well, not on a regular basis, as you're suggesting. I was certainly aware we were using consultants for these projects; that wasn't an issue. Some of the issues that the auditor has raised in terms of the management of it—no, I wasn't aware of some of that, certainly. Some of it I learned in the auditor's report. I

don't routinely get that kind of detailed operational briefing.

Mrs. Christine Elliott: So would it be fair to say, on that basis then, that wouldn't have been something that—if you weren't necessarily aware of it, you wouldn't have discussed it with anyone, with any of the ministers that you worked with, either Minister Smitherman or Minister Caplan?

Mr. Ron Sapsford: No. I want to make clear the point: The issue of contracting and consultants and so forth was really not a topic of discussion between any minister and me. The role of the public service is to implement, and who receives contracts and what they are would not come up in discussion between me and any previous ministry, save and except where the rules require, by virtue of the size of a contract, that we would have to proceed for treasury board approvals. In those cases, the minister would have to be aware to go through that more formal process of review and approval by the government, and that clearly would be part of a discussion where required.

Mrs. Christine Elliott: Did anyone in your department ever raise any issues with you regarding the use and cost of consultants, either the ADM or the director of the eHealth agency? Did any of those people ever say to you, "Gee, we're worried about how much money we're spending on consultants here"?

Mr. Ron Sapsford: Not in specific terms, but as I've already said to you, there was a general awareness that we could not sustain this approach to the business in the long term. For me, the challenge was how to arrange the work in a more effective way that would not depend on consulting services. That's why I've said that the position the ministry took to the government was to change the way it was organized, to make the multi-year commitment, to implement the plan on a longer-range view, and with the approval of government, we then made the moves in fact to do that.

Mrs. Christine Elliott: Moving then to the untendered contract issues, when did you discover that some of the contracts in the Ministry of Health, eHealth and other agencies that report through the ministry were not tendered?

Mr. Ron Sapsford: If I can parse my answer a little bit, the untendered contracts with respect to eHealth I have to say I learned about in the press. So the details of that and those practices came as a result of that.

Inside the ministry, you have to remember going back in time that sole-source contracts were permitted and the ministry worked within the rules and guidelines to secure single-source contracts. The auditor, in his report, took issue with some of the judgment that was applied as to that judgment for sole-source versus VOR tender that was used, but in each case where there was a sole-source, the ministry documented its reasons for it, according to the guidelines.

The use of consultants according to vendor-of-record is a different approach where there were prior approvals and you'd be working with a more limited sample of

consultants to do specific pieces of work, but I wouldn't refer to those as untendered. They were part of the vendor-of-record process that was used in many of the comments that the auditor made. Again, he made comment about how we use the rules and I think he raised some fair comments about a practice that probably shouldn't have gone on. But I would urge you to distinguish clearly between how you refer to untendered contracts with respect to eHealth Ontario and the results there versus the ministry's actions with respect to contracting. They are in my mind substantially different issues and don't need to be viewed in that light.

Mrs. Christine Elliott: Were there any specific guidelines, then, that were used within the ministry normally to deal with sole-sourced contracts that were considered perfectly legitimate?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: Have they been made available, to your knowledge, to anyone in—

Mr. Ron Sapsford: Yes. In fact, they're Ontario government corporate rules around procurement practice.

Again, I'll remind you that in July the rules were changed for consulting services, so sole-sourced procurement of consulting services is no longer allowed. We're now moving to open tendering. There has been a substantial change in the past year, so the rules that we were using prior to that are what the auditor has been commenting on, but those rules have now been substantially changed.

Mrs. Christine Elliott: But as far as you knew—

The Chair (Mr. Norman W. Sterling): This is your last question, then we're going on.

Mrs. Christine Elliott: Okay. But as far as you knew, any of the sole-sourced contract rules that were being used were being followed, generally speaking, in the letter and spirit of—

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: You had no indication otherwise until you heard about it in the press; is that correct? And wouldn't that have been in the spring of this year? Can you give us a time?

Mr. Ron Sapsford: I want to be clear with you: What I heard in the press was about eHealth Ontario, the external agent. The internal practices of the ministry to my knowledge at that point—we were following the procurement rules, which permitted sole-sourced contracting. In the guidelines associated with those, there's a requirement for documentation.

But in any event, it requires a judgment in applying the rules to the circumstance that you're facing. To some extent, this is what the auditor has criticized vis-à-vis the Ministry of Health and Long-Term Care—the judgment applied to that decision to sole-source, a reasonable decision under the circumstances. I think he has made his views clear on that.

The Chair (Mr. Norman W. Sterling): Thank you. Ms. Gélinas?

M^{me} France Gélinas: I would like to start with a few questions for Ms. Burak. I was happy to read—well, you

presented verbally today—that you’ve gone through the 385 consultant contracts which, as of September 30, are now at 286. They will be further reduced to 234, and then this overall reduction of 225 consultants—that’s 58%—and then you looked at how many you would need and expect you need to be between the 15% and 20% range for the variable workforce.

When the auditor presented his report, he made it clear that for hundreds of millions of dollars of consultant contracts, we did not get value for money. I’m happy to see that you have gone through all of those contracts and are able to report to us today. Did you go through them with the view of trying to get any of our money back?

Ms. Rita Burak: Let me say that when I was appointed, which was June 18, 2009, the consulting contracts that the auditor referred to had obviously been entered into a number of months previously. By the time I arrived in mid-June, the initial interim CEO was Mr. Sapsford, and he had already begun the process of cancelling some of these consulting contracts. When I arrived, we then carried on the process of looking in detail at the procurement history and are satisfied that a lot of the issues that we identified were covered in the auditor’s report.

1310

You asked about getting money back. You may be referring to the auditor’s report in relation to—the auditor makes a specific comment with regard to one untendered contract entered into by the former CEO in the hiring of an executive recruitment firm. I can tell you that while the value of the contract was approximately \$1 million, the firm was not paid the full amount. We are in discussions with the firm to assure ourselves that the work that was conducted was actually completed.

M^{me} France Gélinas: All right. You mentioned that you will need between 15% and 20% of your workforce to be a variable workforce. I understand that those will be mainly consultants who will fill up this variable workforce. The auditor has shown that some of the consultants were paid \$300 an hour to edit voicemail greetings, write thank-you letters, do internal memos, Internet pages and seasonal party communications. How much do you pay people who do this kind of work now, and are they consultants?

Ms. Rita Burak: I can assure you that those kinds of activities are no longer paid for or handled by external consulting services. All of those practices ceased in June 2009.

I wonder if I could ask our interim CEO to perhaps give you a bit more detail on the process that we went through to tighten up the rules around consultants.

M^{me} France Gélinas: Sure.

Mr. Robert Devitt: A couple of points: We’ve not only ramped down the number of fee-for-service consultants, but those engagements are now being competitively procured. We’ve also ensured that in every single agreement we enter into there are clear, measurable scopes of work so we can always measure, going forward, the value of what we’re getting for the taxpayers’

investment. So we’ve not only changed the process of competitiveness but we’ve added a new degree of rigour to measuring performance.

In terms of the question about using consultants to record voice messages and other communications, I can tell you since I’ve been at eHealth, since the beginning of August, I’ve actually done two recorded voice communications to all staff. I got a couple of speaking points and we just did it ourselves. That is the approach, going forward. We won’t be using consultants for those sorts of communications.

M^{me} France Gélinas: Thank you.

Mr. Sapsford, you were the interim CEO for a little while. Have you done any work at all to try to get some of our money back? The same question as I asked before: hundreds of millions of dollars of waste, according to the auditor’s report, and lots of it on consultants and contracts. Did you make any effort to try to get some of our money back?

Mr. Ron Sapsford: A couple of points: By and large, work was done. And while I won’t comment on whether we got full value for money in every single case, money was done, so when you—

M^{me} France Gélinas: Money was done?

Mr. Ron Sapsford: Sorry, work was done. So the characterization of a billion dollars of waste—

M^{me} France Gélinas: I said hundreds of millions.

Mr. Ron Sapsford: Hundreds of millions, sorry—is difficult for me to evaluate because in the case of Smart Systems for Health, the network, we do have a network.

In the case of consulting contracts, whether they were tendered or not tendered, by and large the work that was commissioned was done and was finished. So I need to be very careful that you understand that it wasn’t simply paying people to do nothing—

M^{me} France Gélinas: No, but we were paying \$300 an hour to have somebody edit voicemail, thank-you letters and internal memos—the auditor says so—and I’m asking you, when you came in, did you go through each and every one of those contracts so we don’t continue to pay people who do secretarial work \$300 an hour?

Mr. Ron Sapsford: No, and by the time I got there, those people were not there. Had they been there, they would have left shortly.

Specifically on that point, I did not make an effort on that particular case to recover funds. There was a review done. My colleagues will talk about contracts on the network where they’ve made efforts to reduce the costs that they’re currently paying, and any consulting that was not necessary when I got there, those contracts were in fact terminated.

M^{me} France Gélinas: When you were there, you yourself had gone through the contracts and terminated some of them on the basis of not value for money?

Mr. Ron Sapsford: Personally, no, but yes, staff did go through that process.

M^{me} France Gélinas: At this point, we figure that this review has been done and the contracts that are there now will give us value for money?

Ms. Rita Burak: I'll start by saying, absolutely, because we have strengthened the procurement rules; we have strengthened the way in which consultants are paid, and we now have a better planning process to have a rational approach to when you should use consulting services. I believe that at eHealth Ontario we are very confident of that.

Mr. Robert Devitt: I'd echo that. I can say that our process now for deciding when we procure something externally through a consultant is very rigorous, and clearly it has to be something that the agency on its own can't manage. But I can also say that on the procurements we have done in the last few months, we're getting better pricing as well. For those technical services, we're actually seeing the benefit of the competitive process.

The final thing I should speak to is, Mr. Sapsford mentioned the network. I think we heard earlier Auditor McCarter talk about the order-of-magnitude numbers of the cost of the network versus the cost of development, and I think the network, over a decade, totalled in the area of \$600 million or \$700 million. There's an annual spend to maintaining that network. It's like building the infrastructure for a suburb—

M^{me} France G  linas: No, I understand all of this.

Mr. Robert Devitt: But what I want you to understand, in terms of your question about procurement, is that staff at eHealth have now gone back to the people who have long-term agreements to maintain that network and we've started renegotiating them and have already driven down the costs.

M^{me} France G  linas: Back to you, Mr. Sapsford: When you were the deputy minister in 2005, while this was going on, did you not know that eHealth was hiring consultants, paying them \$300 an hour and getting very little value for money?

Mr. Ron Sapsford: No.

M^{me} France G  linas: You didn't. With what we know now, do you figure you should have known?

Mr. Ron Sapsford: I will tell you that when the new agency was created, and because I was certainly aware that procurement of consulting services would be part of the mandate, I on more than one occasion sat with the chair of the board and the CEO and underlined the importance of procurement practice. There was a signed MOU, memorandum of understanding, with the outlined rules. There were two key policies that were of concern for me for the new agency. One was procurement and the other was conflict of interest, and that was raised on two occasions, to my memory, where we talked about the importance of applying those parts of the memorandum of understanding, and that the agency operated within the rules. I received assurances from the agency that that in fact was the case, that they understood the rules. It was part of the MOU and their practice would be conducted in that way. That's the extent of it. I underlined the importance of it, certainly, and received assurances from the agency that they understood it and were applying it.

1320

M^{me} France G  linas: My understanding is that you had a process, you had an MOU, you went through the

rules on procurement, you went through the rules on conflict of interest, and yet we get the result from the Auditor General that it all went wrong. They did not follow the rules for procurement, and they did not care about conflict of interest, although from your end you had put in a structure that was supposed to do this. What can we learn from this? What went wrong?

Mr. Ron Sapsford: There's not a single answer to that. From my perspective, the creation of the agency and a governance structure is quite a common mechanism to accomplish specific business goals outside of the crown directly.

I think that by establishing a board of people who understand the role of governance, who develop the policies that provide the appropriate business controls—and that would apply to the management as well—these can be extremely successful and effective ways. I guess in all cases one can write rules; it's people who apply them. The notions of having appropriate assessment of risk and making sure that checks and balances are in place—I think the chair outlined some of the things that the board has done as a result of these issues—these are the kinds of tools and techniques. With respect to the ministry, reporting becomes one of the issues, financial and operational, and those mechanisms are being put in place. There is a requirement for quarterly reporting. The Ministry of Health has to report back to Treasury Board on a regular basis about both the financial position of eHealth Ontario as well as progress towards the goals that had been established in the plan. Having those kinds of regular reporting and ongoing communication between the ministry and the agency itself I think are important points.

Mr. Devitt and I have undertaken to have regular meetings. I know the minister, at points, will meet with the chair as well on these very points.

M^{me} France G  linas: But wasn't that there all along? The auditor says that they were supposed to report on financial statements; they could only find two in a year's time. They were supposed to have quarterly reports; they couldn't find any of those. Weren't those reports supposed to go to the ministry as well so that you keep an eye on those agencies?

Mr. Ron Sapsford: Yes. First of all, that's with respect to Smart Systems for Health. These were reports from the previous agency. They were, in fact, submitted. The problem we had, and the auditor makes note of this, is that when the auditor asked for those reports, the ministry couldn't find them. We've subsequently found the majority of them, and they're certainly available to the auditor. That was more with respect to the ministry. I think, as I said earlier, we had gone through some changes in the program inside the ministry, and when the auditor requested them, they simply couldn't be found. As I've said, we've tracked them down and have found those quarterly reports.

M^{me} France G  linas: So you're saying that the oversight mechanisms that were there—you had a board of directors; the ministry had an MOU; you had meetings

with the chair of the board and the CEO and explained to them the procurement policy, the conflict-of-interest policy; the board was put in place with the appropriate knowledge and skills to direct the CEO and set governance; the CEO was in place. All of the oversights were there. They should have all worked, but we had people who didn't want them to work? I was asking Ron.

Mr. Ron Sapsford: Yes, all of the things you've said were in place. The answer to the question, "Why didn't it work?" has to do with individuals and individual judgement. As to how one speaks to that, I don't have an answer for that. I'm not sure if my colleagues can add to that, but from my point of view, all of the rules were fully understood and all the structures were in place.

Ms. Rita Burak: If I may add to what my colleague has said, the question that you pose is a very important one and one that has been posed about agencies over the years.

With regard to the eHealth Ontario board, I think the very objective analysis and comments that the auditor makes in his report, most particularly on page 38, are a very good reflection of the start-up nature of the agency and the culture. The board, over the last number of months, has taken steps to ensure that it has the information that it needs to hold management accountable. I've mentioned some of them in my remarks. I'll give you another example. Especially in light of the difficulty that the agency had with untendered contracts, we're now requiring the CEO to provide written assurance at every board meeting that tendering procedures and the procurement of consultants—certifying they were attained according to the stricter policy that we now have in place. So while it was unfortunate that these things occurred in the past, I do feel very confident that the mechanisms we've put in place will ensure that this won't happen again.

Mr. Robert Devitt: I'd just add to Ms. Burak's comments a couple of other key oversight tools that we've now put in place: Not only does the CEO sign that declaration every month, but so as to ensure that one person can't manage out of policy on their own, that same signed attestation gets signed by the chief financial officer, the head of procurement, the head of human resources. So there is a series of signatures on it to make sure that one person can't manage or over-interpret a policy.

Two other things we've developed in the last couple of months that will further strengthen oversight: One is we are now preparing, over and above that monthly signed declaration, a quarterly statistical report of all procurements, how they were procured, whether it's RFP, RFQ etc., the dollar value and, through time, looking at what each company is getting in terms of a spend so we can make sure to ask questions about whether one company is getting more than another and is that appropriate or not, or are they just more competitive.

The final thing we've done is we've implemented a whistle-blower policy, so if staff elsewhere in the organization are aware of policy violations, they have a way to

confidentially immediately notify the chair of the finance and audit committee and bring it to the board's attention then and there.

The Chair (Mr. Norman W. Sterling): Thank you very much. Before I go to Mr. Zimmer next, Deputy, there was an indication of when this strategy was first struck, the eHealth strategy, in the auditor's report on page 9. He said it was only in March 2009; I think your testimony said August 2008. Could you just write the committee after you've checked your facts about whatever the discrepancy might be there?

Mr. Ron Sapsford: Yes. It's a case of using the same words for perhaps two different things. When I talked about the government's approval of the strategy in May 2008, I'm referring to the internal work that the ministry did to go to the government and say, "Here's the overall approach to the implementation of electronic health records, here are the financial resources required and here are the aspects of the implementation," which then talked about a single agency. That's what was approved in May 2008. That led to the creation of the agency, which then produced what the auditor refers to as the March 2009 strategic plan that was issued by eHealth Ontario.

1330

The Chair (Mr. Norman W. Sterling): Thank you for the clarification. Mr. Zimmer.

Mr. David Zimmer: I just have three short questions. It's been a fairly technical discussion thus far, but here's what I hear from ordinary constituents in Willowdale and throughout the province as they struggle to understand this. They often ask me this question. They would have been following this eHealth issue, and they always make the point: We have the most sophisticated banking arrangements in the world, in terms of deposits and managing all of your financial affairs, and we do that all with computers and online. Ditto for the use of credit cards. You can do your income tax returns federally and do the most sophisticated return, and all the security provisions are in there, and it all works. You can travel on airlines; you can shop on eBay. So the electronic online record-keeping system and so on has been mastered.

On this electronic health thing, why have we not been able to achieve the same progress on this eHealth business? And just in layman's terms, an answer so the folks out there can understand.

Mr. Ron Sapsford: If I take the analogy of the banking system—and I know Rob Devitt can add to this—while you can go onto your bank system on the Internet to pick a bank and do your banking, you can't go onto a single site and, if you've got six accounts in different banks, look at one picture for all of that information. You have to go to six different banks, six different places.

If you use that analogy and you view hospitals as one bank, doctors as another, pharmacies as another and public health as another, the magnitude of the problem we're facing is, how do you integrate the information from all of those different providers and integrate it so that providers and patients can see all of their information from any source in one place?

I would argue that it's a technically more difficult problem, and as I've already said, we've got 22,000 physicians, 3,000 pharmacies and 150 hospitals. If you look at the hospitals alone, they have their own internal information systems for the care and treatment of patients in their hospital, but there are probably 20 different systems, none of which can communicate one with the other. So part of this implementation is about developing the software so that individual information systems in different locations can share and communicate. That's partly by developing standards so that we're all talking the same language; it's partly about developing the connections between these different providers of care; and lastly and most importantly, I'd say, about making sure that we have a system that correctly identifies all of the patients and all of the providers, ensuring that the privacy and security access for people's health information is protected from abuse.

Those are some of the reasons. The bank analogy is good; I'm not sure how many billions of dollars the banks have spent to get us to where we are. But I would argue it's still short of where we're trying to go to provide electronic health information.

Mr. David Zimmer: My second question, just following on that point, is on developing the strategy, if you will. The Smart Systems for Health Agency was set up in 2002, but it appears that we only got an eHealth strategy in 2009, so that's seven years. What took seven years? Why did it take seven years to develop a strategy, let alone the implementation of the strategy?

Mr. Ron Sapsford: The clarity around the national goal—so what I've just said, one record for each patient with full integration to assemble information—was frankly really only identified in 2003 by Canada Health Infoway. Because the federal government was making investments and because the way that money was allocated was based on that strategy, the idea that we could have a fully articulated strategy in 2002 was just not possible. I think what the auditor has helped to do is to go back through that history and describe what happened, but hindsight is perfect. Back in 2002, I would argue that not sufficient information was known to be able to articulate what that vision and strategy were.

As information became available, we gained a clearer understanding that the goal was one record, one patient, and that there were significant gaps in our ability to provide that information. I'll use one example: diagnostic imaging. To have the ability for a physician sitting in his or her office with the patient and pull the information about a CAT scan that was done in a hospital in the next town and to bring that information in meant that we had to build a diagnostic information system to do that. That didn't exist in 2002 or 2003, but it exists now. That's a significant component of the vision that will allow, ultimately, that information. So it was built in this piece and then that piece.

The overarching strategy in order to get to that vision of the future, from my perspective, required a multi-year plan, multi-year funding and an implementation agency

with a clear mandate, in fact, to get there. So between 2004-05 and May 2008, when the government finally approved that, was the period of time it took to understand what the goal was—to go out to the health system and ask, "Is this the goal? How do you want to do it? What are the issues we have to take into account?"—to come back to the government, design it, get it approved and funded. That's what's taken the time.

Mr. David Zimmer: That brings me to my last question, a sort of full circle on this. The eHealth strategy set up a couple of months ago that came out has got some very ambitious targets. Given what we know thus far from past experience, are those targets realistic? Are they in jeopardy? Are we ultimately going to get there?

Ms. Rita Burak: Perhaps I can begin and then ask our interim CEO to provide further detail. There is no question that, based on what I have seen since I've been interim chair, the turnover that the auditor spoke about in his report and the technical and managerial capacity issues that we have in the agency will mean a recalibration of some of the projects. We're focused right now on ensuring that we have realistic objectives and that we have the right mix of staff to ensure that we get there in a realistic time frame. We are monitoring each component in far greater detail than perhaps had been the case in the past.

I would ask Rob to talk about some of the internal processes we've gone through to get that calibration right.

Mr. Robert Devitt: A couple of thoughts: Clearly the issues over the last number of months have had an impact, although surprisingly I've been pleasantly impressed with how the staff have continued to come to work, hunker down and make progress. I would say, though, that we have over the last number of weeks lost some ground on the schedule because we've made the decision, I think quite appropriately, to reprocure contracts—if that means keeping a desk empty until the procurement is right, we've done that—rather than trying to keep to schedule and then cut a corner on procurement.

1340

The degree to which projects are on or off track, would vary on the project. We're doing remarkably well on diabetes. In fact, just today we've announced the shortlisted set of companies that are going to do the response to the RFP on that, through Infrastructure Ontario, and that is the timeline I was told the day I stepped in the door. So we've been able to hold up on a number of them.

We now need—now that we have the business plan done—to go back and critically look at the timelines of each project and come up with the most realistic estimate that is aggressive enough that we don't waste money through time but not so aggressive that we cut corners and end up with other issues back in a forum such as this. I think we'll have those all recalibrated by the time we bring the annual business plan forward to Management Board later this fall.

The Chair (Mr. Norman W. Sterling): Ms. Sandals and then Mr. Ramsay.

Mrs. Liz Sandals: And we'll have another round, so we'll sort it out.

The Chair (Mr. Norman W. Sterling): Yes.

Mrs. Liz Sandals: I'd like to go back to the whole issue around accountability and oversight, because certainly in the work that the auditor did, he talked about some disconnects in terms of with the old SSHA and the ministry; there was a disconnect in terms of policy work and accountability because some of the work was here and some of the work was there. One of the strengths of eHealth is, hopefully, to bring that all together so that you don't have two departments or agencies driving in two different directions.

You've talked about how you've worked on improving that accountability oversight piece within eHealth and the eHealth board. I'm wondering about the other couple of pieces of it, though. How do we get the reporting from the agency back to the ministry and then, as necessary, on to Management Board? How does that piece work? Because we want to make sure that in solving one disconnect between SSHA and the ministry, we don't set up another disconnect between eHealth and the ministry, and that oversight route. So how are you managing that oversight route?

Mr. Ron Sapsford: Part of it is routine reporting on a quarterly basis for in-year. The agency also has to table its annual business plan with the ministry. We include that business plan—in other words, what's going to happen this year, how much is it going to cost, what are the outcomes that are expected—that forms part of the ministry's reporting to Treasury Board in the creation of our annual budget.

I think the other major part is within the MOU. Where projects of the agency exceed a certain level, there's an automatic review triggered on the technical aspects of the project through the Ministry of Government Services, and there's a gating review process on the technology part of it. Again, over a certain amount, that goes back through Treasury Board. There is both routine reporting—annual reporting—and special reporting where certain flags are triggered, and it's usually related to a dollar amount where that subsequent review has to go on. Those are some of the mechanisms that are in place.

Mrs. Liz Sandals: In terms of the actual product outcomes, if I can put them that way, I think, Ms. Burak, I heard you talking about variance reports and a lot of information going back to the board. If something is off target or the project goals aren't necessarily being met, to what degree does this information then come back to the ministry so it isn't just strictly a dollar amount? I don't want to downplay the dollar amounts, because the financial oversight is important, but the deliverable oversight is also important. Are we sure that the deliverable information is now going to get back?

Ms. Rita Burak: Yes, absolutely. The deputy referred to the requirements in the memorandum of understanding between the agency and the ministry, and I would say that it is very fulsome. We at the board have a projects committee that focuses especially, in a detailed way, on

the status of projects and we would certainly not wait. For example, if a problem were encountered or a new piece of information came forward that a project might be going off the rails or be in some difficulty, we wouldn't wait for a formal report to have to be sent to the ministry. Rob would get on the phone to contacts in the ministry and immediately bring them up to speed on some challenges.

Rob, you've probably already done that.

Mr. Robert Devitt: We've already done that, but I guess the other piece I'd add is that Ms. Burak, in her remarks, talked about the board having developed what we call a balanced scorecard, and that is one page, at a glance, that shows where each initiative is in terms of budget, project deliverable. We've also identified a measure of what I'd call user value, because it's one thing to deliver a product and say it can be turned on, but if no one's using it, it's not a terribly useful product. So we've laid that out in a standard format linked right back to the March 2009 strategy—it's in fact colour-coded the exact same way—and the board will now be getting it quarterly. That will, in turn, be sent to the ministry, a sort of green, yellow or red light kind of report on every single initiative across that mix of measures of progress on timelines, progress on outcome and progress on financials.

Mrs. Liz Sandals: The other potential disconnect that occurs to me is because, in reading the auditor's report, he talks occasionally about sort of a policy development disconnect.

Mr. Sapsford, you mentioned the business of diagnostic imaging in hospitals, and I must say that I see the benefit of that. The hospital in Mr. Arnott's community does the diagnostic imaging. It comes electronically to the hospital in my community, and the radiologist at my hospital does the reading for both hospitals. So I do see real, on-the-ground benefit. But there's also the issue of: That's hospitals; what about all the diagnostic imaging that's done in labs?

How would you, over time, say, "Okay, whose responsibility is it to look at that and say, 'Okay, but what about the other X-rays that are being done in private labs?'" How do we connect them in? Whose job is that now?"

Mr. Ron Sapsford: For that specific example, that's part of the consideration for the overall strategy, because private radiology clinics do X-rays, and that's patient information.

There's an added issue, though, with private clinics and imaging, and that is, you need to have digital X-ray equipment in order to have digital images. That's an additional consideration. Not all private clinics have that kind of equipment. So at this moment, on the imaging piece at least, the work has been confined to hospitals.

Mrs. Liz Sandals: But what I'm actually asking isn't, what's the solution? I'm asking, who's got responsibility for thinking about that solution over time? I understand that it might not be a solution that we have next month—

Mr. Ron Sapsford: Fair enough, yes.

Mrs. Liz Sandals: —but if you look at the accountability on this over time, is that an accountability issue

that has been addressed in connecting the agency to the ministry?

Mr. Ron Sapsford: That kind of policy consideration, in my view, still lives with the Ministry of Health and Long-Term Care. That's about the size and the shape of it—which components will be part of it.

Clearly, the agency would have strong input into that in terms of their views and opinions, and that policy perspective would also have to be done in consulting with the health system, in terms of how relevant is it, how big of an issue is it and how big a hole is it in our system. But those sorts of broad policy options are in the hands of the Ministry of Health and Long-Term Care.

Mrs. Liz Sandals: So everybody knows what they're supposed to be doing now?

Mr. Ron Sapsford: Yes.

Mrs. Liz Sandals: Okay. My colleague has some questions.

The Chair (Mr. Norman W. Sterling): In that there's only one minute left, I'll give him an extra minute the next time around.

Mr. David Ramsay: Sure.

The Chair (Mr. Norman W. Sterling): Ms. Elliott.

Mrs. Christine Elliott: I'd like to continue with some questions of Mr. Sapsford, if I might, please. Turning now to the hiring of Dr. Alan Hudson, I'd like to start with, first of all, when did you first meet him?

1350

Mr. Ron Sapsford: The late 1990s, I'll say. I've known Dr. Hudson for a long time.

Mrs. Christine Elliott: So you knew him before you started as deputy minister, then.

Mr. Ron Sapsford: Absolutely, yes.

Mrs. Christine Elliott: All right. He was at that time, I believe, when you started working, leading the wait times strategy. Is that correct?

Mr. Ron Sapsford: That's correct.

Mrs. Christine Elliott: Who did he report to in that capacity with respect to his progress on that strategy?

Mr. Ron Sapsford: Directly to an associate deputy minister or part of the health results team, which is a group that was charged with the development and implementation of the wait times strategy.

Mrs. Christine Elliott: Did they, in turn, report to you on a regular basis with respect to that?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: Did you have any meetings with Dr. Hudson separately in his capacity with respect to wait times?

Mr. Ron Sapsford: Absolutely, yes.

Mrs. Christine Elliott: Were they formalized meetings, or how often would you have them?

Mr. Ron Sapsford: Less frequently. His major report was in a different part of the ministry, and they worked as a team jointly on it, so perhaps every several months I might meet with Dr. Hudson.

Mrs. Christine Elliott: When did you become aware that the Premier had asked Dr. Hudson to become the chair of eHealth Ontario?

Mr. Ron Sapsford: Somewhere around September 2008. Somewhere in late September, maybe.

Mrs. Christine Elliott: How did you become aware of that? Were you involved in any meetings where his name was discussed?

Mr. Ron Sapsford: No.

Mrs. Christine Elliott: How did you—

Mr. Ron Sapsford: I'm not sure how I know. I know it was somewhere around that period.

Mrs. Christine Elliott: But it was just an announcement was made and you received an announcement? Is that—

Mr. Ron Sapsford: Oh no.

Mrs. Christine Elliott: How did you become—

Mr. Ron Sapsford: No. The decision about creating the agency had been made, and so the next set of questions would be, who will be the board of the agency? Because it was created as an extension of Smart Systems, appointments to that board were by order in council. Those decisions would have been the prerogative of the government to make, so I normally wouldn't be involved directly in order-in-council appointments to a board such as this. So my awareness of Dr. Hudson's appointment would have come at some point, but certainly not from the perspective of the discussion of who shall be members of the board.

Mrs. Christine Elliott: Did you ever receive any communications from anyone or hear from anyone about the choice of Dr. Hudson as chair of the eHealth board? Did you ever hear from anyone that it was not a good idea?

Mr. Ron Sapsford: I'm sorry? Did I hear from anyone—

Mrs. Christine Elliott: Did you receive any communication suggesting that this was not a good decision?

Mr. Ron Sapsford: No.

Mrs. Christine Elliott: As Alan Hudson got involved as the chair of the eHealth board, how often would you be communicating with him in that capacity?

Mr. Ron Sapsford: At the beginning, after the board was appointed, as I said, I think we agreed to set up monthly meetings in the early stages, so from I would say November, we set up a series of meetings on a monthly basis; that would have been the chair and the CEO.

Mrs. Christine Elliott: Who did Alan Hudson report to formally? Was it to you?

Mr. Ron Sapsford: No. I think the formality of the legislation, the MOU, is the chair reports to the minister.

Mrs. Christine Elliott: Do you know the nature of the communications between the chair and the minister? Were you ever involved in any of those communications?

Mr. Ron Sapsford: No; formal meetings, no. I was aware from time to time that the agency did meet with the minister, yes.

Mrs. Christine Elliott: But you were never involved in those conversations.

Mr. Ron Sapsford: No.

Mrs. Christine Elliott: And with respect to Ms. Kramer. When did you first meet Sarah Kramer?

Mr. Ron Sapsford: Probably between 2000 and 2005, somewhere in there. I knew Ms. Kramer before I came to the ministry.

Mrs. Christine Elliott: Again, as with Alan Hudson, did you ever receive any communication warning you that Ms. Kramer shouldn't be hired as CEO of eHealth?

Mr. Ron Sapsford: Warning me?

Mrs. Christine Elliott: Yes, or advising you—warning or advising.

Mr. Ron Sapsford: Could you please restate? Did I receive—

Mrs. Christine Elliott: Did you ever receive any communication—

Mr. Ron Sapsford: From?

Mrs. Christine Elliott: —from anyone respecting the appointment of Ms. Kramer as CEO?

Mr. Ron Sapsford: No.

Mrs. Christine Elliott: Do you know who selected Ms. Kramer as CEO of eHealth?

Mr. Ron Sapsford: I was informed—in September, I believe—that the decision had been made that Ms. Kramer would be the CEO. As to how that came about or how it transpired, I wasn't involved in that discussion.

Mrs. Christine Elliott: How often did you communicate with Ms. Kramer as CEO?

Mr. Ron Sapsford: After her appointment, in the monthly meetings I've already referred to, and occasionally on the telephone. Those would be the primary exposures, mostly on a monthly basis.

Mrs. Christine Elliott: And did she have any formal reporting to you?

Mr. Ron Sapsford: No.

Mrs. Christine Elliott: A different subject matter now: How many value-for-money audits by the Auditor General have been conducted at the ministry since you became deputy minister?

Mr. Ron Sapsford: I don't know—

The Chair (Mr. Norman W. Sterling): We do not accept as an answer "too many."

Laughter.

Mrs. Christine Elliott: Not enough?

Mr. Ron Sapsford: I view every audit that's done a value-for-money audit; how they're described is perhaps a question for the auditor. But I think it's fair to say that since I arrived, the notion of value-for-money audits has risen to the top in terms of the relative priority of the auditor.

In the ministry, probably a couple, but the auditor has taken much more interest outside the ministry. So there was one done of medication management in long-term-care facilities and one on surgical suite utilization in hospitals. There was one on diagnostic imaging and the use of CT scanning and so forth.

I would suggest that the trend in the audit work where much of the value-for-money auditing has been done has not been exclusively in the ministry but in the broader health care delivery system.

Mrs. Christine Elliott: What about Ministry of Finance audits? How many would have been done since you became deputy minister?

Mr. Ron Sapsford: Audits of the Ministry of Finance?

Mrs. Christine Elliott: Internally done by the ministry.

Mr. Ron Sapsford: We have an active internal audit program. There is an annual plan that's tabled with the management committee of the ministry. It details what areas of the ministry to look at, what functions and so forth. We have full-time staff who are doing that work.

Mrs. Christine Elliott: That would be the Ministry of Health's internal audit?

Mr. Ron Sapsford: Yes.

Mrs. Christine Elliott: What about the Ministry of Finance coming in to do audits?

Mr. Ron Sapsford: I don't know. I'm aware of one or two, off the top of my head; I can certainly find that information and table it with the clerk.

Mrs. Christine Elliott: If you could, that would be great. Thank you.

Mr. Ron Sapsford: Certainly.

Mrs. Christine Elliott: Just getting back to the Auditor General's audits, when he notifies you that he would like to come in and perform an audit, what do you normally do in response to that, internally—

Mr. Ron Sapsford: Internally?

Mrs. Christine Elliott: —to prepare space and so on?

Mr. Ron Sapsford: Usually I'm notified when the auditor's office has decided which ones. It's sometimes difficult at the beginning to know the extent of the audit, and that's usually, as I said earlier, when the audit team will come and meet with the various program areas of the ministry. It's usually quite a routine process. As I said, we talk about audit scope, measurables, which areas of inquiry, because that makes a difference in terms of what files, what information ministry staff have to start assembling to provide to the audit team. Space is not usually an issue. In this case, I think the team was larger than anyone had anticipated and space was a factor in the place where this particular program area was. But in my view, that was resolved relatively quickly.

1400

Mrs. Christine Elliott: In your department, when you received the notice that the Auditor General wanted to come in, was there a specific person in your office responsible for liaising with the Auditor General's office?

Mr. Ron Sapsford: Not for the conduct of the audit. Generally the auditor's team deals directly with the part of the ministry that is going to be involved in the audit. We don't control the management of the audit teams from the deputy's office; they work directly with the program teams. That's been the experience.

Mrs. Christine Elliott: I understand that in the course of this particular audit, there were some concerns about access and so on. Before you had the meeting with the Auditor General, were you aware of any problems with arranging the audit?

Mr. Ron Sapsford: Certainly I was aware of the difference of view in the scope of the audit. I think I've referred several times to the national agenda about electronic health records and the scope of what we would define as electronic health information. So some of the things that fall onto that agenda that weren't part of the audit are things like the telemedicine system and the wait times information system. So First Ministers agreed, I think in 2003 or 2004—after that, I'm sorry; maybe 2005—and allocated an additional \$400 million for the development of wait times information. That was some of the differences of view: How broadly would the auditor look at it in terms of evaluating progress on electronic health records. I knew that discussion was taking place. I kind of agreed: We should have a broader look, not a narrow look, if we're measuring progress—

Mr. David Ramsay: That's not your prerogative.

Mr. Ron Sapsford: As I said, the scope of the audit is often a beginning. Usually, it doesn't mount to this kind of problem.

Mrs. Christine Elliott: Were you getting progress reports? Was anybody advising you, formally or informally, about how things were going?

Mr. Ron Sapsford: Occasionally the question would come up, but I wasn't informed that the process had stopped. In fact, what I'm informed is that information was—the auditor will confirm this, but my impression of the whole situation is that nothing was happening, that in fact the audit team was getting access to information and was doing a certain amount of work, but the final, where they have to come in and actually do the detailed work, was the part. It wasn't that from September to whenever it was—February—nothing was going on. If that's the impression you have, I think you need to understand that the audit team was working. They were interviewing; they were finding information. This wasn't a shutout, as it were. They didn't get final access, I agree, and I agree with the auditor's view that access should have come much earlier in the process.

Mrs. Christine Elliott: You indicated earlier that the issues concerning the scope of the audit were resolved fairly early on. Do you have any idea as to when that seems to have been resolved?

Mr. Ron Sapsford: No. From my point of view, the scope question was never resolved.

Mrs. Christine Elliott: So in the conversation you had with the Auditor General, did he express some concerns about anything in particular, other than the fact that they weren't getting access? Did he seem to think there were any other issues on the table?

Mr. Ron Sapsford: He's here looking at me, so—no, our teams, basically, are arguing about scope, and the ministry is saying access was an issue; he said, "I've got to get on with the audit, and we need to get in." I basically said, "Okay. I agree. Let's get in."

Mrs. Christine Elliott: I guess what I'm—

The Vice-Chair (Mr. Ted Arnott): Excuse me, Ms. Elliott, would the auditor like to add to that?

Mr. Jim McCarter: It's primarily getting physical access; we find it much more efficient when we actually can locate our staff there; we go down the hall and talk to people and can get records. We were getting some documentation from the ministry, but primarily it enhances our efficiency significantly just to get our staff behind the four walls. It was an issue of physical access basically that I went and I talked to Mr. Sapsford about. As I indicated in the report, once I talked to the deputy, I think we were in in a couple of days.

Mrs. Christine Elliott: Can you name any particular people who were involved in arranging the access? We've heard a few names: Mr. Tessier, Mr. McKinley and Mr. Ferenc. Were they involved in this primarily, or were there any other people who were involved in this, and have they ever given you any explanation as to why there were concerns or issues about access?

Mr. Ron Sapsford: Two of the three people you're referring to are not with the ministry. John McKinley is the assistant deputy minister who inherited this particular program area in November 2008. So he was new to it.

I believe the other two you refer to were the program people who would have been at the front end of the argument, as I understand it.

Mrs. Christine Elliott: Are you aware of any ministry documents from the eHealth program? I think earlier you referred to some records that couldn't be found but were subsequently located. Could you just elaborate on that a bit, please?

Mr. Ron Sapsford: The auditor makes reference in his report specifically to the quarterly or monthly reports from Smart Systems for Health. They are monthly reports, financial and other performance information, that the auditor asked for but the ministry couldn't locate. That was the nature of the documents that couldn't be found.

Subsequently, we have found the majority of them, and as I said, they are available. But that's the only documentation issue I'm aware of.

Mrs. Christine Elliott: Do you know what happened to them?

Mr. Ron Sapsford: Yes. Before we created and consolidated the eHealth program area, which is the group that the auditor dealt with, the reporting relationship of Smart Systems was to another division of the ministry, so some of the documents that the auditor was asking the eHealth group for they couldn't locate because they didn't have them. Eventually they were tracked back to the other division and they were located. So it was simply a change in organization: Who has the records, who can locate them? It was that kind of a problem.

Mrs. Christine Elliott: Just moving to another issue, again with respect to some contracts, on page 40 of the Auditor General's report it's noted that "a single ministry manager chose which vendors to invite and made the sole decision on whom to hire for more than 30% of the contracts sampled." Are you able to tell us who that person was?

Mr. Ron Sapsford: Sorry, the page again?

Mrs. Christine Elliott: Page 40, the bottom of the page.

Mr. Ron Sapsford: I'd have to check the exact name. It reads as though it was probably the director in that area of the ministry. You're looking at the bottom of page 40?

Mrs. Christine Elliott: Yes. Would you be able to get that information for us?

Mr. Ron Sapsford: Yes, certainly.

The Vice-Chair (Mr. Ted Arnott): Again, would the auditor care to speak to this point?

Mr. Jim McCarter: I prefer not to identify the individual's name, but it was a mid-level manager position.

The Vice-Chair (Mr. Ted Arnott): Thank you, Ms. Elliott. That concludes the time for your caucus. I'll now turn to the New Democrats, Ms. Gélinas.

M^{me} France Gélinas: I wanted to talk a little bit to Mr. Sapsford about the transition to eHealth and when the board was put into place and the CEO was chosen. I read the papers; I assume you did the same—as to who knew Mrs. Kramer and how the selection of the CEO was done and your recollection as to how the CEO was selected to lead eHealth.

1410

Mr. Ron Sapsford: I read the auditor's report on that very subject and I really have no reason to believe that isn't an accurate reflection of it. I didn't participate in a specific discussion around that.

M^{me} France Gélinas: Did you ever give a personal opinion as to whether Mrs. Kramer should get the job of CEO or not?

Mr. Ron Sapsford: Advice I would give the government about individuals, in my view, falls within my confidentiality bounds, but advice about the process of appointment certainly would have been part of my consideration. So less about the individual and more about the process.

M^{me} France Gélinas: I haven't been around that long. I don't know what "falls within my confidentiality bounds" means.

Mr. Ron Sapsford: You're asking me to talk about what I may or may not have said, if I said anything, about a specific individual in advising the government, and that, to me, is a question of human resources and I wouldn't normally talk about that in a public forum.

M^{me} France Gélinas: Okay. So you are not at liberty to share with us whether you talked to either Ministers Smitherman or Caplan or cabinet or anybody else. Whether you approved of hiring Ms. Kramer or not is not something that you can share with us?

Mr. Ron Sapsford: Yes.

M^{me} France Gélinas: Okay. You talk in your report about some of the improvements that have been made at eHealth but on page 6 you say—I'm looking at the speaking notes you've just given us today—"Some mistakes were made in the management of procurements on these two projects." I would like to hear, in your own words, the mistakes that you know have happened in the management of procurement on those two projects.

Mr. Ron Sapsford: I think some of the observations that the auditor put in his report. There was the perception that consultants were approving the work of other consultants. In terms of the evaluation or the definition of projects, he made comment about creating projects that would live with inside rules as opposed to taking a more broad base and going to public tender on certain aspects of it. I think, in reflection, there are some legitimate points there.

I hasten to add, however, that at no time was a contract let without review and approval by ministry staff. So this wasn't contracts being let on the strength of a consultant's decision. Oftentimes where a consultant had been involved they were defining work or making recommendations to ministry staff about prospective work. So the management of that process is what I'm referring to, and in many cases that could have been managed better.

Apart from changing procurement rules, the ministry all through this time was in the process of consolidating the management of procurement into a single branch in the ministry. As I mentioned before, projects were managed all over the ministry and hence procurement decisions were quite diffuse across programs of the ministry. In late 2007, we constructed a specialized branch called fiscal management that is now responsible for the central management of procurement to ensure that procurement rules and processes in fact are put in place. So those procurement decisions, which existed in a wide fashion, are now being consolidated. Those are some of the changes that we've made to give a better management oversight of procurement.

M^{me} France Gélinas: My question was, I wanted you to tell me what some of the mistakes were that were made in management and procurement, and you open up by saying that there's a perception that the consultants were hiring consultants. Is this because you don't believe that it actually happened, that it's just a perception that the Auditor General had, or—

Mr. Ron Sapsford: No, not at all. There's a perception that consultants hire consultants. I agree with what the auditor said in his description of where things could have improved. I don't take issue with the auditor's report at all. The notion that consultants were hiring consultants is what I was commenting on. At no time did that happen. Ministry staff reviewed and approved all contracts. So the areas for improvement were in the management of the procurement process—the definition of what a project is, the decision whether to work with the vendor of record or go to public requests for proposals—I think those are some of the criticisms that the auditor made, and I would agree that we could have done that better.

M^{me} France Gélinas: Because the auditor does say that consultants were hiring consultants to do part of the work.

Mr. Ron Sapsford: In the process, yes, it's true. They reviewed proposals and gave recommendations. Agreed. That should not have happened. However—

M^{me} France Gélinas: You're trying to make a difference here that escapes me completely. What's the

difference between what you're saying and what he's saying?

Mr. Ron Sapsford: I agree with what he said, but I'm adding to that. Based on that, it was then reviewed and approved by ministry staff, so the actual execution of it was in fact done by ministry staff. So the notion that consultants were independently making these decisions and executing contracts is what I'm trying to clarify with you.

M^{me} France G  linas: So when you say that the contract was executed by the ministry, that would be people who worked for you. People who worked for the Ministry of Health would actually execute those contracts that had been recommended and reviewed by consultants for other consultants.

Mr. Ron Sapsford: Yes.

M^{me} France G  linas: And nobody clued in that what they were doing was wrong?

Mr. Ron Sapsford: That's a good question. It happened, so the answer has to be no. People felt that they were working to an agenda, a time frame. They were trying to work within the vendor-of-record rules. In many cases, the technical complexity of what these projects are, what the next phase of work is, would require the input of consultants to actually define them. So at one stage, a group is working on it; the consultant defines the next piece of work. We used a separate consultant who was perhaps the project lead to review that work, so you end up in a situation where one consultant is reviewing another consultant's proposal for the next piece of work. That's what the auditor has criticized. Yes, that's not the best way to go about it. The more appropriate way is to have a formal review committee, a cross-section of ministry staff and, if necessary, the input of consultants to review the proposals and approve them and move them forward.

The process that was used is where I felt the auditor's criticism was quite valid.

M^{me} France G  linas: How much of this would the minister have known?

Mr. Ron Sapsford: None.

M^{me} France G  linas: So it stays among your employees?

Mr. Ron Sapsford: Yes.

M^{me} France G  linas: None of this?

Mr. Ron Sapsford: None.

M^{me} France G  linas: So we agree that what the auditor has shown, that consultants were hiring consultants, was wrong, but the actual giving of the contracts was done by people at the ministry who never clued in that what had just happened and what they were about to agree to put money into was wrong?

Mr. Ron Sapsford: The auditor never said that consultants hired consultants. He criticized the process that was used to define and contract the work. In the definition of, "What is the piece of work to be done?", consultants were involved. As I've tried to indicate, some of that work is technical, and consultants were used to define it. Then different consultants were used to review

proposals, and he criticized that process—that they should not have participated in that. That's what I'm agreeing with.

1420

M^{me} France G  linas: I have this little note here—because I'm not always the most experienced MPP—that says that when I asked you about you giving advice on whether Sarah Kramer should be hired or not, you said it has to do with human resources and you couldn't answer this. I have this advice here that, "Advice to cabinet is not necessarily the same thing as advice to a minister and that he could be at liberty to give us that information," so I'm asking you, Chair, if you could rule on that.

The Vice-Chair (Mr. Ted Arnott): Ms. G  linas, would you repeat that once more?

M^{me} France G  linas: Sure. I want to know if Mr. Sapsford gave advice to either the minister or to people within cabinet as to whether Sarah Kramer should be hired as the CEO of eHealth.

The Vice-Chair (Mr. Ted Arnott): I don't think that's within my purview as Acting Chair to rule on. I can't rule on the appropriateness of that.

M^{me} France G  linas: Okay. You're off the hook. How much longer do I have?

The Vice-Chair (Mr. Ted Arnott): You have another three minutes for this round.

M^{me} France G  linas: I missed some of the talk about how eHealth has produced results. But not so long ago I was one of the ones trying to use an electronic health record, and God knows, it was tough. So when I see things like—let me find it; I'm looking through your speech—when you say that Panorama is well on its way to being completed with the health units. When we talk about Ontario O-lists being there, at the end of the day, a physician right now who sends a requisition to the health units for one of the lab tests they do still cannot get the results electronically. We get this little fax that comes in. If you have an electronic health record, you get this fax, you scan it in, you try to fit it into your electronic health record and it still doesn't work. So, I kind of take exception to having all these rosy things here. We have: "Ontario Laboratories Information System is an integrated and interactive information system that electronically connects communities, hospitals and public health laboratories" etc., when in real life it doesn't work.

Mr. Ron Sapsford: That's not there. What I'm trying to indicate to you—and a large part of the substance of the audit is questions about value for money—is that there have been investments in all areas of this electronic agenda. And yes, it's true: They're not up and running, fully functional and fully interactive, yet. But in the case of the comments the auditor made about the lab system, for instance, I think in his report he referred to 139 defects in that program, and today the number of defects in that particular piece is down to 12, and about seven of them are inconsequential.

This is a process of implementation over a period of time, starting from nothing, to having the facility to developing the interactive. For the lab piece, over 50% of

lab information is now being sent into it. It's mostly from the private lab system and several of the large hospitals. The plan for implementation over the next couple of years is to gradually expand that to 100% of information.

There's also the important thing to remember: The doctors sitting in the office can't access that information if they don't have an information system themselves. So even though the lab component may be up and functional and ready to use, it doesn't necessarily mean it will get full use until we've put the pipes into physicians and they've got their own information systems. I'm trying to indicate that we're on the way; the components are being built, but you're right—

M^{me} France Gélinas: They still don't work.

Mr. Ron Sapsford: Well, you can choose to look at it that way, but if you look at in the longer term and the plan that's put in place now, the first priority is for diabetes patients who require and who can benefit hugely from this kind of information system in terms of their ongoing management. Unfortunately, it has to be done in a phased and planned implementation; it can't be everywhere all at once. So I urge you: You will continue to hear, "We don't have it here, we don't have it here and we don't have it here," but as time goes on and these components come into place, more and more people will be served by it.

The Vice-Chair (Mr. Ted Arnott): Ms. Gélinas, I have to apologize to you. You still have another four minutes. I was mistaken earlier when I said you had only three.

M^{me} France Gélinas: Well, there we go.

I want to talk about where we're at with the electronic health record. In the House, almost every day the Minister of Health says, "But four million people already have an electronic health record." I want people to realize that even if your physician in his or her office has an electronic health record, he or she is not able to talk with anybody but themselves. We're not able to talk to health units, and the health units certainly are not able to talk back to us. We're not able to talk to most of the hospitals that you refer your patients to, and God knows that the hospital is not able to talk to you. I don't want to be pessimistic, and I don't want to just cast a bad light. I agree, pieces have been put into place, but to have statements like this in the House day after day, they kind of shed the wrong light as to—for those four million people, don't lead them to believe that they get their lab report, their X-ray report and their MRI, and it comes into the desktop of their physicians.

Maybe you can answer this: Do those four million people who deal with physicians that have a desktop get their MRI, their health unit health report, their discharge from hospital—and all of those pieces of information you need to run a primary care office—into their desktop?

Mr. Ron Sapsford: No. There may be examples where trials are in place, but in a comprehensive way, no. If the question is, could a specialist or an emergency physician access images from another hospital, the answer is yes, they could. Again, it depends on the site

you're talking about and which pieces are in place and which aren't. So the notion that everybody has equal access to it is unfortunately not the case.

I think the other important thing to consider is that when physicians talk about their electronic record, they're talking about the system that they use in their own office. So oftentimes, when somebody says, "Well, I have an electronic medical record," it's true, they do for their own purposes. But this notion of an electronic health information record is that broader concept of being able to extract different pieces of information from different providers and consolidate it. That's the piece that we're trying to put into place.

M^{me} France Gélinas: In my first 20 minutes of questioning, I questioned a lot about the contract with the consultants, and certainly—

The Chair (Mr. Norman W. Sterling): This will be your last question, okay—right now.

M^{me} France Gélinas: I'll make it a good one.

The new CEO of eHealth certainly assured us that they are going through each and every one of the consultant contracts to see if we really need them in trying to meet a target. Is the same being done at the ministry level to decrease the ministry's reliance on consultant contracts?

Mr. Ron Sapsford: All of the consultants that the audit report refers to are gone.

M^{me} France Gélinas: At the Ministry of Health, they're all gone?

1430

Mr. Ron Sapsford: We don't have any. I won't say we don't have any consultants, but certainly not on this file, because, as was part of the plan when the agency came into existence, we planned to transfer and that's what happened. So the reductions in numbers are as my colleagues have said, but the ministry doesn't have any.

M^{me} France Gélinas: But in other branches of the ministry, did it have an over-spilling effect such that you're looking at consultants elsewhere?

Mr. Ron Sapsford: No. I think that the question about improvements in management in some of our recent exchange—where we do use consultants elsewhere, it's much more manageable because it's either a defined project or one or two consultants working on a specific piece of information. So the procurement issues that we found in this particular case don't exist elsewhere.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norman W. Sterling): Mr. Ramsay.

Mr. David Ramsay: Deputy, I'm having difficulty understanding this difference that the ministry had with the auditor in regards to the scope of the audit. It's good that the auditor's here, because—and if I'm wrong, Auditor, please correct me; we want to get to the bottom of this. My understanding is that, as a servant of the Ontario Legislature, the auditor is independent and has the power, the authority and the duty to examine, as he sees fit, any aspect of government operations.

It would seem to me, as you say here, that it's routine and normal practice that the audit team, once those

decisions are made, would sit down with the civil servants directly involved to basically, as a courtesy, first announce to them what the audit is going to be; to have that discussion about what the scope is of that; what materials might be required; as the auditor says, what space might be required; and also to discuss what audit tests might be employed. But again, that's all, to me, the prerogative of the auditor to decide that.

So I don't quite understand why somebody in the ministry said, "Well, we don't agree with the scope of your inquiry here. We think it should be different."

Mr. Jim McCarter: Do you want me to—

Mr. David Ramsay: Yes, please.

Mr. Jim McCarter: If I can make it clear, as an officer of the Legislature, I can audit what I want, when I want and how I want. I have that authority. But having said that, often when we go into a ministry, we'll say, "Here's the area we want to audit," and often we'll say, "Here's the criteria that we're going to use to evaluate your operation." We give them a chance to say, "Well, okay, Auditor, we agree with 10 of the 12 criteria, but on eHealth, one of your criteria says that we should be able to develop an electronic health record in a year. We're not sure that's a fair criteria. Let's discuss it." And we would discuss it. Sometimes I would say, "You know what? You've made a good point," and I would change it. But there have been other times when we've just agreed to disagree. I think of the Alcohol and Gaming Commission. We actually put it right in the scope of the audit report saying that we never did agree. But at the end of the day, I called the shots and we did what we wanted to do.

Does that help to clarify?

Mr. David Ramsay: Sure. So—

Mr. Ron Sapsford: And I don't question that.

Mr. David Ramsay: Yes. So who makes those decisions and how high up does that discussion go?

Mr. Ron Sapsford: Well, as I've tried to explain, normally it wouldn't rise above the level of the program people who are being audited, because as the auditor has said, they'd have that kind of discussion, and where there's disagreement, that would take place and the audit would proceed. Quite honestly, this was no different until it did get raised, and after a protracted period of time.

I think it's fair, though, to consider that it isn't all a one-way street, particularly when the auditor's office is going into value-for-money kinds of evaluations, which are not simple and straightforward. Value-for-money audits, in my opinion, are not just about checking boxes and procedure; this is about bringing judgment to questions.

So as the program being audited, the ministry being audited in complicated areas, sometimes involving public policy or previous decisions of governments as part of the rationale for why you're in a particular position—I think it's a fair discussion to have with the auditor that they understand the perspectives of a ministry in agreeing or creating the scope.

I go back to the one we did on radiation protection in hospitals a couple of years ago. Going in and doing those

sorts of audits in a clinical area, I would argue, has to be done with a certain amount of understanding of the subject matter to be reviewed. So this isn't about having a fight with the auditor or questioning the jurisdiction or the ability, but to make sure that when the value-for-money audit is done, we get the best results out of it in terms of the advice the auditor can bring to bear, that we get a full evaluation of it.

This ministry respects the work of the auditor's office. We use the work of the auditor's office, as critical as sometimes it might be, to make improvements in the way we operate either a specific program or the Ministry of Health in general.

So my view is that the work of the Auditor General's office is extremely important, and the ministry has an equal interest in making sure that the work the auditor does in fact yields results that we all find helpful.

Mr. David Ramsay: But is it appropriate for the people at the program level, who are directly involved in the day-to-day execution of that program that is to be examined, to put up that kind of roadblock, to say, "We kind of disagree with the process or scope of your verification"?

Mr. Ron Sapsford: It's a fair question, and I think within limits, yes, that is appropriate, because these would be the people who understand the area of the audit.

Now, to the point of "You can't come in the door," no, I don't agree with that. The auditor and I have had subsequent discussions—we haven't finished that discussion. But where we get those kinds of arguments, I think it's fair, it needs to be flagged and resolved in a more expeditious manner than in this particular case. So I would agree: Reasonable discussion, reasonable opportunity to influence scope or measures, but the decision, as the auditor says, is finally his.

Mrs. Carol Mitchell: My question is for you, Mr. Sapsford. There is a perception certainly out in the communities that the \$1-billion investment has not been a good value for the good people of Ontario. You've talked about the complexities in Ontario, you've talked about how it's an integrated system and what is coming forward and how you're moving the system into a whole system. We understand how important eHealth is, especially in administering health care into the future. But what did that significant investment achieve specifically? The question was put to the auditor as well, to quantify it. That wasn't within his scope, but I would ask that question of you.

Mr. Ron Sapsford: We have a secure network that is being used today. My colleagues can talk about how it is being used. I think one of the criticisms of the audit report is that it's not being fully used and we've expended funds and it's underused. We're certainly not getting full value, but it does and would have cost money to build a network and that, to me, is valuable.

One example: Telemedicine Network Ontario operates on Smart Systems. That's an extremely important program where over 50,000 visits, if you will, are made by people living in northern and remote Ontario, getting

actual clinical care, where we're actually bringing the care to where people are as opposed to moving people. There are some good articles on Telemedicine Ontario and the success we've had. So that would be a second area.

I think the public health information system, which is up and running and fully functioning, is another example; the drug profile viewer, where now all Ontario drug benefit information on seniors in the province is available to physicians in every emergency department in the province. So for people coming in over the age of 65, physicians have immediate access to their full prescribing history. That's another important advantage in safety, as well as improving patient care, and that's part of this program as well.

I talked about diagnostic imaging. Hospitals now can share diagnostic images. That's not only important for patient care, but it's also an important cost control, because the notion now of having to repeat scans—I go from point A to point B. Dr. B says, "I don't have this scan. I'll do it again." The cost associated with duplicate testing is also a significant benefit, and that runs on the network.

1440

Investments in physicians: The number of physicians in this province who don't have electronic systems in their own offices is a major issue in terms of developing this. So the investments that the government has made to upgrade electronic systems in physicians' offices is another point of value that's been purchased with this investment.

Then there is the live information; I talked about that extensively.

Panorama, which I think is important, is the extension to the public health system, so records of immunization, disease surveillance—we're approaching H1N1 flu again—and having the systems in place so that we can better get early warning and identification.

Management of vaccines in the province is another one, and that one's moving forward.

Finally is drug prescribing. One of the most important pieces of this whole implementation is electronic prescribing of drugs, where the physician can enter the prescription in his office and it appears in the pharmacy so that paper is eliminated.

Integrated records: Work is not as far advanced on that one, but the money that has been invested in that work will yield results.

From my point of view, there are a number of important components that are working on the network itself. They're important investments that will yield future benefit; I'm quite confident of that. So my concern overall is not the value-for-money question, but the notion that all of this money has been totally wasted. I think that's what you're referring to in your question. I think it's important for all of us to recognize that isn't the situation, and the notion that \$1 billion has been wasted is simply not accurate, in my view.

Mrs. Carol Mitchell: Thank you very much.

The Chair (Mr. Norman W. Sterling): Mrs. Van Bommel?

Mrs. Maria Van Bommel: On page 33 of the auditor's report, he talks about the Child Health Network, the work that's already been done there and how that has developed. I'm just wondering why we haven't been able to incorporate the Child Health Network into the eHealth record system. What are we doing? How much have we invested so far in that whole records system? How are we going to incorporate that, if we are at all?

Mr. Ron Sapsford: Right. I'll table with the clerk what the investment is. I'm not aware of the total amounts.

The Child Health Network has done a fair amount of work in integrating hospital records for pediatric units. They've also made some extensive connections with physician offices. But the way that system is built is limited in terms of its overall technological capability to expand to the whole province, to be able to handle digital records, to be able to handle drug information and to be able to handle all lab information in the way I've described.

It does give a base. I think it's fair—perhaps Mr. Devitt can comment on it. We're looking at the potential to use that as the base, and then build on it. Whether it can be the electronic health record: As it stands, the answer is probably no, because it has some gaps in the functions it has to perform in order to achieve the "one record, one patient" goal that I've talked about. So to simply say, "Take this one and expand it to the province" is not possible, it's not technically feasible and it wouldn't satisfy the needs of clinicians or patients simply to adopt it. But it could form the basis of how we build out that system in the future.

Mrs. Maria Van Bommel: So do we have to redo all of that work again, then?

Mr. Ron Sapsford: No, it could be that you just integrate what is there with this broader system as opposed to starting over. One of the things we have to avoid is the notion that we're going to build a whole new system up from scratch and throw away everybody's existing systems. What we're trying to do here is to build a system that takes out of a hospital record or a doctor's office or a pharmacy the pertinent information for this patient and pulls it all together. The electronic child record is one component of it; it provides a certain amount of information, but it doesn't have all the information. What role it can play in the overall piece is what we're still trying to evaluate and come to some conclusion on.

Mr. Robert Devitt: I think Mr. Sapsford has summarized the situation with eCHN well. It is a useful part and a key partner.

What we're really doing in eHealth to build an EHR is we're making a quilt. The challenge is stitching all these parts together. This is not like software at your home computer where you come home with a DVD, install it and you have access to all of your X-rays over the fullness of your life, all of your lab tests, drug profile etc. It's much more complex than that, obviously.

The challenge is, rather than trying to start afresh and build from the ground up, to take systems that are already in place and stitch them together so that that information can be accessed. ECHN has served us very well. I can say this as a hospital CEO—we have a very active pediatric program—but it doesn't have the robust nature to deal with the complex nature of an EHR that spreads across the whole health care system.

Mrs. Maria Van Bommel: I'm not quite following here. Are we going to have to re-do all of this work, then?

Mr. Robert Devitt: It will be used as part of an eHealth record that really is the amalgamation of all these pieces: eCHN, what we're doing with diagnostic imaging, the Ontario lab information system and the system we have for drugs. It's not about re-doing; it's about building linkages so the systems all connect together.

Mrs. Maria Van Bommel: So we won't lose the investment we've made in the work that's already been done?

Mr. Robert Devitt: No.

Mrs. Maria Van Bommel: Thank you.

The Chair (Mr. Norman W. Sterling): Any further questions? Ms. Sandals.

Mrs. Liz Sandals: This is following along in a similar vein, and perhaps the eHealth people can answer it because it's a technical question, I think. People see or hear about the auditor's report and the fact that Ontario is behind, and they say "Well, if other provinces have got more, why don't we just get off the shelf what other provinces did?" Why not? Is there a good answer to that? I'd like to know it.

Mr. Robert Devitt: I guess maybe I can start, and maybe Mr. Sapsford can chime in. Depending on how you measure progress, we may compare well, we may compare not so well. If I actually use our systems in pharmacy, right now through the Ontario drug benefit plan, on any given day our pharmacists do more drug interaction studies on that system than are done across the rest of the entire nation in that same time period. On that avenue, I would argue we're further ahead. In fact, right now 25% of our population has their drug information on that system. I think when we put ourselves down as to where we stand, it all depends on what aspect we're measuring.

Ontario is a lot more complex than other provinces. To put that into context—I don't mean to pick on any province—if we use Prince Edward Island as an example, that's a population smaller than the catchment area of Toronto East General Hospital, so it's probably a little easier to develop a system for that defined population than for the breadth of Ontario and the scale of Ontario with the complexity we have.

Again, it's not just about plugging in and playing software. Diagnostic imaging is probably the best example of this. We have, just this summer in Ontario, achieved digital imaging capability in every hospital. If I bring that to an analogy at home, we've now got digital cameras in all our hospitals or at least processors that will

take a film and digitize it. You can't set up an EHR in this province until you've got digital capability. It's not just taking the digital picture; it's being able to send that somewhere so that someone at another site can then access it and read the same image. That's a level of complexity with 155 hospitals, 26,000 physicians—a scale that no other province has.

I guess the final thing I'd say is, as someone who's been active in the Ontario system for a number of years, we've started at a different place. I think Newfoundland years ago standardized hospital information systems to one product. Now, again, Newfoundland maybe has 600,000 people. It's a lot smaller. We didn't start there in Ontario, so we have a diverse range of systems that don't talk because there are different vendors. The complexity and scale here, I think, in Ontario, is a key variable that no other province comes close to.

Ron, I don't know if you have anything else to add.

Mr. Ron Sapsford: No, I think not. I think the complexity issue is self-evident. We do watch closely, though, what other provinces do. It's sometimes beneficial to benefit from other's mistakes, and in fact, frankly, Ontario has taken advantage of that in some cases. Some of the wait-list information systems we simply took from British Columbia's system and expanded it for Ontario. So we're looking for those opportunities.

I think another change with this new agency that is being contemplated is the way we procure. Rather than procuring the service to build a system, it's changed so that we're procuring the product that works and we're not paying until we have the product that works. I think that's an important change in how we're going about the implementation and putting the challenge of building a product that actually works on to the consortium or the private sector that will be involved in this. These two things—oh, and part of that requirement, of course, is that they do have working software, which, in many cases, they will pull off the shelf and adapt for use in Ontario.

This isn't all about building it from scratch. This is about looking at what others have done, other software or hardware innovations that we can take advantage of as we move forward and, using the procurement process that's been developed at eHealth Ontario, I think we have a much better opportunity to do that.

Mrs. Liz Sandals: So the answer is, if there's something usable, we use it?

Mr. Ron Sapsford: Yes.

Mrs. Liz Sandals: That's good to know because that's not the presumption—

The Chair (Mr. Norman W. Sterling): We only have a few minutes left. Can you just indicate what time frame we need to finish our inquiry? Do we need more time with these witnesses?

Mrs. Christine Elliott: Yes, we would like to have more time, Chair.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas?

M^{me} France Gélinas: Yes, please. I cannot stay right now, though, but I would like more time.

The Chair (Mr. Norman W. Sterling): Okay. We'd better have a subcommittee meeting, then, and determine when we're going to be calling the witnesses back and what other further witnesses. So I'll meet with the

subcommittee as soon as possible. We'll find a convenient time.

Thank you very much for your testimony today.

The committee adjourned at 1449.

CONTENTS

Wednesday 21 October 2009

Committee business	P-393
Special report, Auditor General	P-398
Mr. Ron Sapsford, deputy minister, Ministry of Health and Long-Term Care	
Ms. Rita Burak, chair, board of directors, eHealth Ontario	
Mr. Robert Devitt, acting president and chief executive officer, eHealth Ontario	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mr. Ted Arnott (Wellington–Halton Hills PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mrs. Christine Elliott (Whitby–Oshawa PC)

Mrs. Carol Mitchell (Huron–Bruce L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Margaret Drent, research officer,
Research and Information Services



P-24

P-24

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 28 October 2009

Journal des débats (Hansard)

Mercredi 28 octobre 2009

Standing Committee on Public Accounts

Special Report,
Auditor General

Comité permanent des comptes publics

Rapport spécial
Vérificateur général

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 28 October 2009

Mercredi 28 octobre 2009

The committee met at 0900 in committee room 1.

SUBCOMMITTEE REPORT

The Chair (Mr. Norman W. Sterling): I will call this meeting to order. I suggest that the first matter we deal with should be the draft report of the subcommittee, which met on Thursday, October 22, dealing with this morning's hearings and that we deal with the second draft submission this afternoon at 12:30. If you would be kind enough, Ms. Gélinas, to deal with your motion at that time as well.

M^{me} France Gélinas: No problem.

Mrs. Liz Sandals: We haven't seen a copy of that. Could we get a copy of that?

Interjection.

The Chair (Mr. Norman W. Sterling): The draft report is in front of you. I will read it for the record.

Your subcommittee on committee business met on Thursday, October 22, 2009, to consider the method of proceeding on the review of the 2009 Special Report of the Auditor General on Ontario's Electronic Health Records Initiative, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings in the morning on Wednesday, October 28, 2009, in Toronto;

(2) That the following persons be invited to appear before the committee:

—Ron Sapsford, Deputy Minister of Health and Long-Term Care;

—Rita Burak, interim chair of the board of directors of eHealth Ontario;

(3) That the clerk of the committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

Any discussion?

Interjection.

Mrs. Liz Sandals: Katch would like me to move it, Chair, as opposed to you. I will presume that if I were to read it, it would sound the same as if you read it.

I move the first subcommittee report—

The Chair (Mr. Norman W. Sterling): Be adopted?

Mr. Ted Arnott: We support the adoption of the subcommittee report.

The Chair (Mr. Norman W. Sterling): All those in favour? Opposed? Carried.

SPECIAL REPORT, AUDITOR GENERAL

The Chair (Mr. Norman W. Sterling): We have in front of us today Mr. Sapsford, Ms. Burak and some other officials within the ministry and eHealth. Mr. Sapsford has asked to make some comments with regard to some information which he has provided to us. Mr. Sapsford.

Mr. Ron Sapsford: Thank you, Chair. We return today tabling, this morning, with the clerk, the answers to questions that were posed to the ministry last week. I think that information is available now to the members of the committee.

I'd like to make one clarifying statement. Last week, I was asked questions about consultants in the Ministry of Health and my answer was they had all moved to eHealth Ontario. The vast majority did, of course, because they were associated with individual projects. However, my staff informed me that I have two individual people who are still with the ministry working on knowledge transfer. I think in the auditor's report one of the criticisms was that we didn't do enough knowledge transfer in the relationship between ministry and consulting staff. So that work is proceeding. One of the people will leave, I think, at the end of this week and the second one will leave during the month of November. For perfect clarity on that, I just wanted to expand on my comments so the committee had a full understanding.

The Chair (Mr. Norman W. Sterling): Okay. Perhaps we could have those people at the table identify themselves, starting from the left.

Mr. John McKinley: I'm John McKinley. I'm an assistant deputy minister for the health system information management and investment division.

Mr. Dennis Ferenc: Dennis Ferenc, working with the ministry's eHealth liaison branch.

Mr. Robert Devitt: Robert Devitt, interim CEO, eHealth Ontario.

Mr. Doug Tessier: I'm Doug Tessier. I'm the acting senior vice-president of strategy, development and delivery at eHealth Ontario.

The Chair (Mr. Norman W. Sterling): We'll begin questions with Mr. Arnott.

Mr. Ted Arnott: Thank you very much, Mr. Chair. I'm pleased that we have this opportunity to continue the questions with respect to the Auditor General's report on the eHealth Ontario issue. I know that my colleague, the member for Oshawa, is delayed somewhat due to traffic, but he's on his way. I know that we've got to work together on the questions and I know Mr. Ouellette will have some questions to follow up when he arrives.

I want to get back to the issue of the problem that the auditor faced in terms of commencing the audit. As all of you know, on page 7 of the report there is a section concerning the delay in starting the audit. The Auditor General has documented the problems that his office encountered in terms of starting the audit, commencing it. I wanted to ask the deputy minister, again, why that happened and who in the ministry was responsible for preventing the Auditor General from doing his important work on behalf of the people and the Legislature of Ontario.

Mr. Ron Sapsford: As I said in my answer last week, first of all, the ministry enjoys a very strong, positive working relationship with the auditor. The normal process of engagement when an audit is commenced—I receive notice from the Auditor General as to the area of investigation. Then, that's followed with a meeting between the audit team and ministry staff in the area of the ministry where that audit would take place. There is usually a discussion about the scope of the audit and the areas of interest that the auditor wants to examine, mostly to begin the process of gathering information from the ministry so that the audit team has access to that information. And in this particular case, that started.

There was a discussion between the audit team and the ministry staff in that area over the scope of the audit. I think it's clear from the audit report that the auditor intended to look at the electronic health record portion of it—and the ministry looking at electronic health information, because a lot of the work that was going on with respect to electronic health information was not focused specifically on electronic health records. There were components of it.

This was described as a value-for-money audit, and the ministry felt that to give a fair representation of the work that had been going on, particularly in questions of value, the scope of the audit should be broader than was initially suggested. That discussion carried on for a protracted period of time. As the auditor suggested, it shouldn't have gone on that long, and I agree with that.

0910

There were issues of access. The audit team generally will move into the premises of the ministry, and there were space issues, which were resolved, but there remained this ongoing discussion about the scope of the audit. When the auditor phoned me about the problem of access, the problem was resolved. From my point of view, there was a legitimate discussion about the scope of the audit, and there was a difference of opinion.

I would say that, at least for the Ministry of Health, 99-point-something per cent of the time, this kind of

issue doesn't arise, but in this case it did. In the subsequent discussion with the auditor, we agreed that we need a different mechanism when these kinds of disagreements arise so that they can be raised to the level of the deputy and the auditor and resolved appropriately.

That's my explanation as to why there was a problem with access.

I would hasten to add—and others here today can speak to the issue—information was provided. The audit team generally makes requests for information. My understanding is that those requests were satisfied and information, all through this time, was flowing between the Ministry of Health and the audit team. But in the final analysis, they weren't in the premises of the ministry, and this is what led to the auditor's comments.

Mr. Ted Arnott: Yes, I understand that that is the answer that you gave, more or less, last week. But I still would have to ask you: Who was involved in the ministry? Who was engaged in this discussion on the scope of the audit with the Auditor General, which led to many months passing before the audit commenced? Which ministry staff would have been involved in the discussion with the Auditor General?

Mr. Ron Sapsford: It would have been the program management of the branch and the assistant deputy minister. During that period of time, I had two different ADMs. The program director who was involved in that is here present today.

Mr. Ted Arnott: So you know who was involved.

Mr. Ron Sapsford: Generally, yes.

Mr. Ted Arnott: Is that Mr. McKinley as assistant deputy minister?

Mr. Ron Sapsford: Mr. McKinley is here and Mr. Tessier is here, who was at that time the director in that part of the ministry.

Mr. Ted Arnott: So I guess we'd then move to Mr. McKinley, to ask the same question. Why is it that it took many, many months from the time that the ministry was informed that the Auditor General wanted to commence an audit to when the audit was finally initiated? Why did the Auditor General feel that it was necessary to devote a significant portion of his report to this issue? Why did the Auditor General feel that he was being obstructed in the commencement of his audit?

Mr. John McKinley: To begin with, I think it's probably better to ask the Auditor General that final question as to why he felt it was necessary to put it into the report. From my perspective, I had—

Mr. Ted Arnott: Well, I'll tell you why: Because he's said on a number of occasions that it was one of the worst examples in his tenure as Auditor General, in terms of being able to access the information, which is his responsibility to undertake.

Mr. John McKinley: I began as the ADM for this area in November 2008. I knew about the audit. I knew about the work that the team was doing in preparing information for the audit. I knew there were documents and information being shared with the auditor at that time.

I did not meet at all with the audit team until January 8. At that time we were still discussing the scope and trying to make sure, as the deputy suggested, that we expand the scope of the audit so that we could get what we felt was a better value-for-money audit. The space issue was not raised with me at that time, and once it was raised, obviously it came back to me from the deputy very quickly and we moved on it very quickly.

To be quite honest, the space that the eHealth program was using was quite jammed. We had people working off-site. We had people working in a variety of different places, not on-site, because we just didn't have enough space. The program had expanded quite quickly. When you consolidate the number of people who were working across the ministry and then try to put them on one site—it just wasn't possible. There were huge space considerations within the program at that time.

Mr. Ted Arnott: So how were the space issues subsequently resolved? Did you move people out?

Mr. John McKinley: I think Doug Tessier is probably better to speak to it, because he actually did this, but people were moved off the floor. We had an opportunity to move people to another building based on the award of the IBM contract so that there was space becoming available at that time.

Mr. Ted Arnott: Mr. McKinley, who was your predecessor as assistant deputy minister?

Mr. John McKinley: It was Gail Peach.

Mr. Ted Arnott: Gail Peach. And when you talked about the issue of the scope of the audit, you're suggesting that you were trying to improve the scope of it?

Mr. John McKinley: Yes.

Mr. Ted Arnott: How would that be?

Mr. John McKinley: We were trying to suggest that there are other activities that are going along that are going to support the electronic health information that clinicians will use to make decisions about treatment of Ontarians when they're sick beyond what an EHR—the strict term of the EHR. For example, telemedicine is a use of the network. It's a clinical tool that's very useful, and we thought that that should have been included in the scope—that type of thing.

Mr. Ted Arnott: In terms of expanding the scope, were you concerned that you knew what was going on in eHealth and you knew it was going to look so bad that if you didn't expand the scope, in fact the problems would appear to be worse?

Mr. John McKinley: That wasn't what we were looking for. We didn't foresee the problems that came up in the end. What we were looking for was just a broader approach to the whole thing so we could see the whole thing. The timing was such that when the audit was originally envisioned, eHealth Ontario was not established. So then, when we moved through this, it obviously became—one of the issues that we were dealing with is the transition from the ministry to eHealth Ontario while the audit was under way.

So there were many things going on at the time, and we just thought it would have been a better value, from my perspective.

Mr. Ted Arnott: Would you now be prepared to tell the committee that you believe it was a mistake to obstruct the auditor?

Mr. John McKinley: Obstruct him from entering the space, yes, I would agree that we made a mistake there. I don't feel as though we were obstructing him. We were giving him information, we were meeting with them, and a lot of information was shared. So I don't think it was purposeful obstruction the way you're sort of characterizing it; I believe it was a mistake in terms of trying to find space, and probably we should have moved on that much quicker.

Mr. Ted Arnott: And in terms of the discussions over the scope of the audit that delayed the process by months, do you feel that that was a mistake?

Mr. John McKinley: As we discussed at the last meeting, the auditor has full authority to decide on scope, and there are many audits that they decide, ultimately, like this one, what the end scope is. Discussions go on with auditors about that, and ultimately it is their decision as to how they go about it. I don't feel as though those discussions were actually delaying the audit, from my perspective.

0920

Mr. Ted Arnott: I think there was a delay of many, many months, and that leads to more questions, quite frankly, from members of the Legislature and the general public, I think. I hope that this sort of thing isn't going to happen again.

I guess I would move to Mr. Tessier to ask about the space issue and how it was resolved. How much space did the Auditor General's staff require and how was it resolved that there was space created?

Mr. Doug Tessier: The Auditor General's team had requested—we basically walked around the floor with them and we identified a large boardroom with a locking office and multiple Internet connections. I think, at the time, our expectation was about a four-person audit team who were coming in. I think we had three staff in that location and were planning to move them out shortly, but not on, obviously, a timely enough basis for the audit team. When we did meet with the auditors and discuss both scope and space, we did identify that the way to make this happen faster did involve a discussion with either the ADM or the deputy. That certainly happened, as is the auditor's right. Perhaps we should have escalated that ourselves instead of having the auditors do it. But when that was escalated, within 24 hours we actually moved those people. They co-located first with other staff. We then had people sharing workstations and sharing connections, but we did accommodate the auditors in that space within 24 hours.

Subsequently, the audit team was larger than expected and there was a request made by Rita Mok, who was the operational lead of the audit on-site, for additional workstations, and we actually moved some other people out of

some workstations and accommodated that expanded audit team very quickly.

Mr. Ted Arnott: Yet presumably staff within ministry offices are moved around as a routine matter. I certainly recall, in my time in government, that that was the case. How many weeks was it, from the time that you realized that you had to make space for the auditor—how many weeks passed until you actually did make the space?

Mr. Doug Tessier: I think, after the initial discussions with the auditor, the information requests certainly started coming in in September, and were met throughout the course of the fall in education and exchange sessions. I think, actually, the on-site portion I would describe is around early December, and it did take us until February for the item to be escalated and for space to be provided.

Mr. Ted Arnott: I have to go now back to Mr. McKinley, and my question is very specific. Between the summer of 2008 and February 2009, were there any documents from the eHealth program removed or destroyed?

Mr. John McKinley: Not to my knowledge.

Mr. Ted Arnott: Mr. Tessier, do you know?

Mr. Doug Tessier: Not to my knowledge. I would say absolutely not, but certainly not to my knowledge.

Mr. Ted Arnott: So are you prepared to state categorically there were not?

Mr. John McKinley: As I say, from my understanding, no. No documents were removed and destroyed.

Mr. Ted Arnott: I have to ask that question of all the ministry staff, I guess, one by one—the ministry staff who are here at the table. Were there any documents destroyed during that period of time?

Mr. Dennis Ferenc: Not to my knowledge, no.

Mr. Ron Sapsford: Certainly not. No.

Mr. Doug Tessier: I was at the ministry at that point in time and certainly not to my knowledge were any documents destroyed.

Mr. Ted Arnott: The Auditor General has made reference to the absence of a number of documents from ministry files, including monthly and quarterly reports from the SSHA, which of course is the Smart Systems for Health Agency. I would ask Mr. McKinley the question: Do you have anything to do with these documents not being available to the Auditor General to look at?

Mr. John McKinley: No. As a matter of fact, I believe we found all of the documents except for one.

Mr. Ted Arnott: You found all of the documents? Pardon?

Mr. John McKinley: Yes, except for one; all of the quarterly statements that they were looking for—

Mr. Ted Arnott: So which document was still missing?

Mr. John McKinley: There is one quarterly statement, I believe, that is missing.

Mr. Ted Arnott: What do you mean, a quarterly statement?

Mr. John McKinley: That's what the auditor was asking for: quarterly statements from Smart Systems for Health and eHealth Ontario.

Mr. Ted Arnott: So what do you suppose happened to that document, the missing one?

Mr. John McKinley: The document management system that is in place in the ministry—when the responsibility for a program changes hands between a number of divisions, sometimes—I believe what has happened here is that a particular document was lost. This program has moved between three different divisions. The historical information was difficult to find. That's one of the reasons why it has just taken us a fair amount of time to find it.

Mr. Ted Arnott: How often is it that documents like that disappear?

Mr. John McKinley: I'd say it's rare, but I can't quantify it. It just was one of those things, when it went through several transitions, that the document management system wasn't adequate to keep track of all of the pieces of it.

Mr. Ted Arnott: Did you conduct an investigation to try to find that document?

Mr. John McKinley: Yes, we have been searching for those documents and have recovered all but one. We are still continuing to work on looking for that last one.

Mr. Ted Arnott: Do you know why anyone at the ministry would want to prevent the Auditor General from having complete access to all the documents?

Mr. John McKinley: No. There's no reason to do that, from our perspective. The challenge is in trying to find out how they were filed, where they were filed, that type of thing, because, as I say, the documentation management system was inadequate.

The Chair (Mr. Norman W. Sterling): Mr. Arnott, you'll have another—oh, Ms. Gélinas is not here. You can continue for a few minutes, then, Mr. Arnott.

Mr. Ted Arnott: Thank you, Mr. Chair. I'll return now to the deputy minister with some questions, if I could.

At the press conference when the Auditor General announced his report, he spoke of a conversation that he had with you about the delay in initiating the audit. Can you tell us your recollection of that conversation?

Mr. Ron Sapsford: Certainly. It was a very short conversation and very crisp, with the Auditor General expressing his—I'm not sure which adjective to use—his displeasure with the lack of access to ministry premises for his team to get on with the audit. I think we had a brief discussion, simply about the question of the scope, and his view was, "Nevertheless, we have to get on with it." His time frames were being challenged by that, so we agreed he would have immediate access. The next day, I think, that happened.

Mr. Ted Arnott: So what did you do as a result of that conversation?

Mr. Ron Sapsford: I phoned my assistant deputy minister and said, "The team's coming in now."

Mr. Ted Arnott: Okay.

The Chair (Mr. Norman W. Sterling): Are you finished with the deputy minister right now on that line of questioning? Okay. Ms. Gélinas?

M^{me} France Gélinas: As you know, we've done freedom of information. Piles of documents came forward. I tried to reconcile the statements of the Auditor General and put the thread through. Katch, did they get copies of the e-mails? I can give one to you anyway, because the questions will be for you.

I realize that in some of the information they gave to us, some of it is blacked out, and I have no intention of trying to get information that I'm not supposed to have, so don't feel that you have to share the secrets of the gods. But in some of the e-mails that are there, I would just like you to help me understand the conversations that were taking place.

The first one is—you have it in front of you. At the top you'll see a capital D. It's an e-mail between you and Shelley—I'm not too sure—Kapitan? I'm not too sure how to—okay. You've stated your title as of now. You had the same position back in—I think this is from April of this year. When did you become assistant deputy minister?

0930

Mr. John McKinley: I became assistant deputy minister of this program in, I guess, January 2008.

M^{me} France Gélinas: January 2008, okay. What is Shelley's position? Mrs. Kapitan, sorry.

Mr. John McKinley: She is a senior project lead with the community care information management project.

M^{me} France Gélinas: The community care information management project. The first question is, on April 13, Mrs. Shelley Kapitan e-mailed you regarding a medication management pilot program looking for a "physician champion, to help us to position this feedback in the right way." I'm just reading from the e-mail. Your response is cut off; not blacked out, it's just cut off. It's on the piece of paper that has a big D at the top. You mention someone; you can't remember their name, but that person is a reasonable person.

Did you ever find a physician to champion this, to position the feedback in the right way?

Mr. John McKinley: I'm not exactly sure if Shelley did actually get the—I know she talked to the OMA. I don't know whether she actually did get the person to champion it or not.

M^{me} France Gélinas: Do you know where this stands right now? The medication management pilot program?

Mr. John McKinley: Yes. The project was a success. I think they're going through the evaluation at this point, so I don't have the final report on that, but that's where it's at.

M^{me} France Gélinas: It was a success, and we're going to make a decision as to whether this particular pilot will be extended, or—

Mr. John McKinley: Yes. This is part of the long-term-care homes' RAI-MDS implementation. It is a common assessment tool for a long-term-care home resident, and the medication management portion of it is

just one of the potential areas where we see that we could get some clinical value out of doing those assessments.

M^{me} France Gélinas: Very good. You have in front of you—if you want to flip the page—another puzzling e-mail, and it's again between you and Mrs. Kapitan. The e-mails refer to someone named Chandyke; I'm not too sure how to pronounce the name. Do you know who this refers to and the position of this person?

Mr. John McKinley: Yes. Chandyke is a financial adviser in the Ministry of Health and Long-Term Care, and he is the sort of lead on long-term-care home funding in our financial management branch.

M^{me} France Gélinas: This e-mail refers to year-end money becoming available, and Shelley suggests asking for an additional \$2.5 million to \$3 million for phase three homes on the long-term-care home cap funding. Did that funding flow?

Mr. John McKinley: Yes, it did, into some particular homes. The program that we're trying to establish with long-term-care homes, the implementation of this common classification tool, is funded in two different ways. One of the ways is through annual appropriations from the ministry and the other way is through the long-term-care homes' underspending; if they have underspending in the program, then we push it towards the project so that we can finish it.

M^{me} France Gélinas: Did the money flow toward eHealth, or did it flow toward homes to put this common classification tool—

Mr. John McKinley: Yes. It never went through eHealth. That has nothing to do with eHealth. It's a program that is being run by the long-term-care homes.

M^{me} France Gélinas: Okay, so this is one of those e-mails that came to us but had nothing to do with eHealth?

Mr. John McKinley: That's right.

M^{me} France Gélinas: Okay. We get a few of those. They're hard to sort out. You know what? Freedom of information doesn't come with instruction manuals, it just comes with piles of paper. Okay, thank you.

Flip to the next one. All right, we're now talking about SIPC. I take it to mean that this is the strategy and investment priority committee?

Mr. John McKinley: Yes.

M^{me} France Gélinas: So, here again, Mrs. Kapitan says, "Hi John, with SIPC's okay, all we need now is the confirmation from the MO. Did they respond to you yet?"

The next e-mail page comes completely blacked out to us, but it's titled: "Verbal Approval." I take it the "MO" means minister's office?

Mr. John McKinley: That's correct.

M^{me} France Gélinas: And what was she referring to in that e-mail?

Mr. John McKinley: What she's talking about is that SIPC is a subcommittee of our ministry management committee. It deals with financial and programmatic expenditures in trying to manage the ministry's spend to keep it within budget. As part of that, this project would've had to go to SIPC to get approval for that, or

representatives from this project would have gone. Once they got that approval, then we have to schedule it with the minister's office for potential announcements. So that's why she was asking if they had responded yet. That's the process that goes on. The government has the opportunity to make announcements about funding, and this is how we manage it through the process.

M^{me} France G  linas: Just so that I understand, when is it that you go to the minister's office and when is that you don't? I'm trying to understand what the guidelines are.

Mr. John McKinley: When there's new funding being announced, we always go to the minister to make sure that they have the opportunity to—whether they want to announce this funding or whether they just want to have it flowed out. That's their decision.

M^{me} France G  linas: Okay. Flip the page—two pages, because we have a blank one in there. The last e-mail I wanted to talk to you about came from Rohin Bhargava.

Mr. John McKinley: Very good.

M^{me} France G  linas: What position does he hold?

Mr. John McKinley: He's another senior project manager in the CCIM project.

M^{me} France G  linas: Senior project manager?

Mr. John McKinley: Yes.

M^{me} France G  linas: That e-mail talks about the Ministry of Finance's Ontario Buys program waiving the third party review based on the success of the projects to date. He refers to the Ministry of Finance not being responsible if there are cost overruns. You see the four little things. He asked if he should write an e-mail on behalf of CCIM, and he mentioned that once he did, the funds would be released. What funding was he referring to?

Mr. John McKinley: It was for releasing funding for a series of projects in small and complex continuing care hospitals for the implementation of the management information system, which is the financial and statistical reporting system that the ministry requires reporting from all hospitals.

M^{me} France G  linas: Do you remember what the value was?

Mr. John McKinley: The total value that they have committed, I believe, is in the \$10-million range.

M^{me} France G  linas: About \$10 million? Did the money flow?

Mr. John McKinley: It is flowing now over time. They have to meet a schedule of milestones for the hospitals to be able to get the money from Ontario Buys.

M^{me} France G  linas: Okay. It appears from the e-mail that they were ready to waive third party reviews. It says it right there, " ... agreed to waive the third party review based on the success of the projects to date." What does a third party review usually mean and why wasn't it needed this time?

Mr. John McKinley: That's a process that Ontario Buys goes through. It's part of their decision-making process as to which projects they fund and which ones

they don't. I'm probably not the best person to respond to that since I don't run Ontario Buys. From my understanding, on large projects they normally go through a third party review, but since we've had so much success with implementing MIS in community care access centres and in community mental health organizations, they believe that the success that we've had on this pass would just follow through in the hospital sector.

0940

M^{me} France G  linas: So this had to do with the management information system. Again, it has very little to do with eHealth?

Mr. John McKinley: Nothing.

M^{me} France G  linas: Okay. It came to us under eHealth. That probably explains why I couldn't connect the dots with those documents: because they had very little to do with it.

In the auditor's report, he certainly mentioned that there was a lack of oversight, and that led to some of the money—not getting value for money for the people of Ontario. What was your role in overseeing? Which parts of the transactions of eHealth were your responsibility to oversee?

Mr. John McKinley: To begin with, as I said, this was added to my portfolio in November 2008. At that time, the government had created the new agency, eHealth Ontario. My major focus at that time was the transition: to have the discussion with the agency about what their new memorandum of understanding would be, what their new transfer payment accountability agreement would be, what government policies and procedures they would have to go through for their approvals and so on. It was also about how we transition the number of consultants and the resources that we had inside the ministry to the agency. That was my major focus.

Within that, the team that we had in the eHealth program was managing the day-to-day relationship with the former Smart Systems for Health and eHealth Ontario. As part of that, they were on a monthly budget, so they had to apply to us for their monthly cash flow. We monitored them relatively closely on their cash flow. We had discussions with the transition team, which was a joint team between the ministry and eHealth Ontario, as to how best to do this transition. There was oversight there as well.

There wasn't oversight in the detail. The detailed methodology that they were using to procure resources was not part of the discussions. We did talk about what level of exemption they would be granted from the Management Board and treasury board guidelines. That was a point of discussion for quite some time. That includes the Management Board guidelines for the gating of IT projects.

M^{me} France G  linas: The what? Gating?

Mr. John McKinley: Gating. There's a process inside the government of Ontario that establishes financial limits as to when an information technology project has to come forward for approval through a number of different committees and ultimately to Management

Board and treasury board. That was part of the discussion that we were having. There were two discussions. We wanted to make sure that eHealth Ontario would meet the spirit of the Management Board directives and also both the I&IT procurement and gating processes.

M^{me} France Gélinas: Would you have been aware of some untendered contracts?

Mr. John McKinley: No. We were not aware of the procurement process that they were using, and they were not sharing it with us. We were, as I say, dealing with the individuals who came to the table and were assigned to do this work.

M^{me} France Gélinas: I realize that hindsight is 100%, but should you have been aware?

Mr. John McKinley: Ideally, yes, I guess I should have been aware. It's kind of hard to say, because, as you say, hindsight is 20/20.

M^{me} France Gélinas: Yes. When did you become aware that there were consultants being paid \$300 an hour for changing messages, that there was this amount of untendered contracts, that there was such a number of—I'm not supposed to be judgmental—sole-sourced contracts? When did you become aware of this?

Mr. John McKinley: When it hit the media.

M^{me} France Gélinas: Not until it hit the media?

Mr. John McKinley: That's right.

M^{me} France Gélinas: If we try to put this behind us and move forward, do you figure you should have known before?

Mr. John McKinley: In an ideal world, yes. It should have been much more transparent. It was one of the challenges that we were dealing with. We were trying to be open and transparent from the ministry side in our transfer of what resources and contracts we had. We disclosed it all to them, and we were trying to encourage that same level of transparency, but it wasn't reciprocated.

M^{me} France Gélinas: If things could have been caught up earlier, what would have needed to be in place so that after one or two sole-sourced contracts, one or two untendered contracts—what would have needed to be there in order for you to become aware so that you could act? I'm guessing you would have acted.

Mr. John McKinley: I think the clarity around the rules now is much greater; the government has changed the rules. There is much less discretion by managers in choosing to do that. So, given that, I think that is part of the solution.

Obviously, there is the development of a trusting relationship that has to go on between the ministry and the agency—trust that we're getting full disclosure and the information that we need. That's the environment that we're trying to create as we go forward.

M^{me} France Gélinas: So clarity around the roles—could you expand on this? What roles got clarified, in which way, and how is this going to help?

Mr. John McKinley: The Premier has announced that there will be no more sole-sourcing; there will be clear—the under \$25,000 has to be tendered, and all the rest of

the enhancements to the Management Board rules, policies and guidelines make it much clearer, and it reduces the discretion of managers to take on contracts that way.

M^{me} France Gélinas: And do you figure that those policies by themselves, once they are written—civil servants are human beings, like everybody else, as far as I'm concerned. Managing change is something—people are usually a little bit reluctant to change. In this particular case, putting it down on paper means that we can trust it will be done?

Mr. John McKinley: I think there's an openness now that we can talk to eHealth Ontario. The CEO has talked about how he has to sign off going to his board. That's the kind of assurance that we can use. The accountability relationship that we will finalize over the next little while will have some of those elements in it to make sure that they do follow the Management Board guidelines, and there's an expectation for that. Whether we include his report as one of the reports that comes to the ministry, that's a possibility too. We're still in discussions over those things.

M^{me} France Gélinas: So from what you're telling me, you feel pretty confident that there won't be any sole—I can't pronounce the other word.

Mr. John McKinley: Sole-sourcing.

M^{me} France Gélinas: —sourcing and there won't be any more untendered contracts from people you are responsible for?

Mr. John McKinley: That's my expectation, yes.

M^{me} France Gélinas: Okay. What do we do with the parts where we had—and that was an example in the auditor's report—the consultant paid \$300 an hour to change voice mail and greetings and organize functions?

0950

Mr. John McKinley: That is a contract that eHealth Ontario let. They're running that contract; they'll have to deal with it.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas, is this a good point to break from your round?

M^{me} France Gélinas: Give me one more minute to finish that idea.

The Chair (Mr. Norman W. Sterling): Okay.

M^{me} France Gélinas: So are you saying that if eHealth was to decide to do that again, you wouldn't know, you wouldn't care or it could still happen?

Mr. John McKinley: No, that's not what I was saying. You referred to a particular contract, and I said that eHealth should deal with the results of that particular contract.

One of the accountability measures and one of the performance measures we are watching very closely is how they're using consultants and how many they have. So we have to measure the number of consultants and make sure that, as they continue to do their work in that forum, they get more and more staff so there won't be those types of contracts let; they would only be on the special nature of the electronic health information area.

M^{me} France G  linas: But is there something in there that assures us that we're getting value for money? I think the deputy made it clear, and I think you made it clear too, that there's now a set goal of how many consultants—there should be that many more—and there's a plan to get us there. How do we ensure that within the consultants that remain, we have value for money? Three hundred dollars an hour to change greetings on voice mail is not value for money. The auditor says it, I agree and I think you'll agree too.

Mr. John McKinley: What we would expect is that along with the project charters and the documents that would go along with a contract, the RFPs would have clear deliverables, clear milestones and clear expectations. Those are public documents—they're released in the public domain—so I think there's an opportunity for transparency in what is expected out of each of those contracts.

M^{me} France G  linas: And none of that was there before?

Mr. John McKinley: Not on those sole-source contracts, no. They did not release RFPs; they obviously let the contracts go on their own and just hired them.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: I have a couple of short questions to Mr. Devitt. There's a lot of detail floating around in the last couple of days. My question is: In your opinion, what is the single biggest obstacle to moving forward with an effective eHealth?

Mr. Robert Devitt: I think the single biggest obstacle is the complexity of the task.

Mr. David Zimmer: The follow-up question, then: How are you going to tackle that and break down that complexity so you can solve the various elements of the complexity?

Mr. Robert Devitt: We do it by taking on the challenge in bite-size chunks. There's the old saying that you can't eat an elephant all at once; you do it one bite at a time. Creating an EHR, I would argue, is akin to that. The only way for a province this complex and a population this large that will get an outstanding electronic health record is by doing it one step at a time, always looking at how you're going to link step one with step two with step three with step four. In part, the challenge of this, as you're down that journey, is that you never get to lever the full advantage of the EHR until you've gone through all those steps. So on the course of that journey there will always be challenges of trying to explain why it isn't there yet as you're building it step by step. But that's how we'll do it, and do it with excellent project management and excellent governance and administration.

Mr. David Zimmer: That tells me that what has to happen at eHealth is a real cultural shift in the management paradigm from the—I say this with respect—chair of the board to the CEO to senior management and middle management right down to the last person in the management and delivery chain. How are you going to

go about implementing and creating that sort of cultural shift that folks in the organization buy in to?

Mr. Robert Devitt: I think we do it in a number of ways, because that's another elephant-size challenge in terms of organizational change, particularly in this organization where we have a merger. We need to understand that eHealth Ontario is, in essence, the outcome of a merger between Smart Systems for Health Agency and the ministry eHealth program. So overlaying that cultural shift is also effectively executing a merger, and we know that mergers are challenging organizational changes to begin with.

I think the way we effect the kind of transformation and change your question speaks to is that we start at governance. We have a board of very skilled, experienced governors who are developing a whole range of board practices, board processes and expectations. The expectations define how we are to behave, the kind of rigour and robustness that management needs to put into its decision-making. That then cascades through the management structure. So one of the things I'm doing is looking at putting in place a more coherent, stable organizational structure so people know who reports to whom and there's clarity about who is accountable for what.

We do it through our human resource function. In fact, as we speak, I have partnered with the Ontario Hospital Association, who are actually helping us do a complete review of human resources, training, staff development, recruitment, retention, succession planning: all those fundamental practices that are needed to make a business not only thrive but succeed and be very, very successful.

As we roll out bite-by-bite changes—if I use, as an example, delegation of authority—it's not just about drafting a new policy and having the CEO or the chair send out an e-mail saying, "Here's the new policy, please follow it"; we actually roll out policy now with detailed education. So, for delegation of authority: Who is allowed to sign for what, what you do when the authority is away, how you ensure that you understand what you can and can't sign for. There is an intensive education session for all people covered by that policy, and I personally, as CEO, went to the session and sat through it, (a) to show managers that this is serious—the CEO is investing the few hours and learning about the policy just like everybody else; and (b) so that I can clearly understand the policy, not just Rob Devitt's interpretation of it, but really go through that detailed analysis of what it means so that we're all on the same page. I think that would be the other thing we do.

Mr. David Zimmer: Two short follow-up questions—and I appreciate the new vigour you are bringing to the organization. To the extent that that vigour or vision was missing or confused in the past, why was it missing or confused in the past and what lessons do you draw from that confusion, if you agree there was confusion?

Mr. Robert Devitt: It's hard for me to give you an informed comment or calibration on what was or wasn't there in the past. I can only speak to the hand I was dealt

when I started at the beginning of August. It's hard for me to give you an opinion one way or the other on people who preceded me. In fact, as I think the committee is aware, I came in and picked up the baton from Ron Sapsford, who had been there for two months and had started a number of these changes.

I guess what I can say, in terms of the vigour or what I think I'm bringing, is that over the course of my career I've been involved in a number of major system changes. I've been part of a merger in Peterborough, of the Peterborough Civic and Peterborough St. Joseph's, which was a merger of a denominational hospital and a municipal hospital, obviously something pretty complicated. At Scarborough, as a supervisor, I went in a decade after a merger to help turn around an organization that even after a decade hadn't fully merged.

What I can comment on is what I think we bring to the table; that is, a very basic, systematic approach to change, step by step, piece by piece, not trying to change it all at once but one change at a time. On any given day, it doesn't feel like you've made a lot of progress, but over a week or three weeks or three months, you look in the rear-view mirror and say, "Oh my goodness, look how far we've come."

1000

Mr. David Zimmer: Thank you, Chair.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: Actually, my first question is for the Auditor General, going back to some of Mr. Arnott's questions around quarterly reports. You mentioned in your report that these quarterly reports had gone AWOL, and as I read your report, I sort of got that your concern was that perhaps the reporting was not being done because you couldn't find the reports.

Mr. Jim McCarter: One of the questions we asked the ministry was, "What sort of monitoring or oversight of SSHA were you doing?" One of the comments we had was, "We get periodic reports from SSHA kind of giving us a sort of state of the nation: what's going on, how much money we're spending, what are the risks, what are the problems we're dealing with?" So, as auditors, we'd obviously say, "Let's have a look at the reports. We'd like to see where they've identified issues." And we would ask the follow-up question: "Is there any memorandum, or what have you done from the ministry perspective to work with the SSHA to address those issues?"

Essentially, in asking for those reports, some of them were made available. If there had been one or two reports missing out of 25, it wouldn't have been in the report, but there was a substantial number that could not be provided to us at that time. Being somewhat skeptical auditors, we would say, "If you haven't got the reports, maybe it's evidence that the oversight wasn't as good as it should have been," and that's why we reflected that in the report.

As the ministry has said, since we left the field and completed the audit, they have found most of those reports, I gather.

Mrs. Liz Sandals: And those reports have been turned over to you, or could be turned over if you actually wanted them now, I presume?

Mr. Jim McCarter: Usually, once we're out of the field—as you know, we go back in a couple of years and do a follow-up on all our recommendations. Typically, that's the sort of thing we would follow up on at that time.

I have no doubt that if I asked the ministry for copies of those reports, they would be provided rather quickly.

Mrs. Liz Sandals: And the fact that there is still one gone AWOL would not be high on your list of concerns; it was the fact that you couldn't find them because they had been filed someplace else? The fact that they're there would, let's say, bring your skepticism down several notches? They exist, they're there—

Mr. Jim McCarter: It might bring it down one notch. I'd still say that the fact they couldn't find them fairly quickly might be indicative that when they came in, perhaps they weren't given the attention they deserved. Typically, if they were, you'd think there would be a file by month, or whatever: "We got this report from SSHA. They raised these issues. We discussed one of them with senior management." There could have been an action plan.

The fact that they were subsequently found—I guess I'd really need to see the rest of the documentation. It's one thing to have the report—often too, you get reports back from community service agencies and other organizations; they get received and go into a file. I'm not necessarily talking about health, but we see this in ministries that we audit and not necessarily review. The obvious follow-up question is, "What did you do when you got it?"

I certainly think it would bring it down a notch, but it wouldn't diminish our concern entirely.

Mrs. Liz Sandals: But it's something you can deal with when you go back in for the review?

Mr. Jim McCarter: Yes.

Mrs. Liz Sandals: Thank you. I think Mr. Leal has a question.

The Chair (Mr. Norman W. Sterling): Mr. Leal.

Mr. Jeff Leal: Thanks very much, Mr. Chair. I have a question for Mr. Devitt. Rob, it's good to see you this morning.

After the Sinclair commission came through in 1997-98—the merger of two hospitals in Peterborough, St. Joseph's and Civic—you played a critical role in cementing together two philosophical approaches to health care; I was on one of the boards at the time. Tell me about that outcome, merging two philosophies to get an outcome, which is so important to providing quality health care. I see that your experience through that is going to come in handy in your new position with eHealth.

Mr. Robert Devitt: Sure. Through the Health Services Restructuring Commission—

The Chair (Mr. Norman W. Sterling): Mr. Devitt, I don't know whether this goes to the issue.

Mr. Robert Devitt: I think the point is the complexity of a merger—

Mr. Jeff Leal: Exactly.

Mr. Robert Devitt: —and eHealth is a merger of an arm's-length government agency—Smart Systems for Health—and a series of departments in the ministry that were pulled together and then transferred out. So there was sort of a merger within a merger as well.

The lessons from a successful merger like the Peterborough hospitals was that it takes time. Again, you do it sort of one step at a time, and through this there's a whole series of business transaction pieces that have to get merged: how the organizations procure, how they hire, how they do compensation, how they do performance management. In fact, I would say that in some ways, as we now move forward at eHealth Ontario, that is the very process we're going through.

If I use human resources as an example, we have Smart Systems for Health HR practices and old ministry eHealth program practices, and we have to pull them together. It's not necessarily taking one or the other, but it's building something that's going to be robust and appropriate for a much larger organization. Through that transition, it is quite possible that mistakes get made or inconsistencies happen. If one decision-maker is playing off one playbook and the other off the other playbook, until we've actually gone through that process of consolidation, it's quite conceivable that different people end up taking different strategies because that piece hasn't been done.

It's important to stress how complex and sort of comprehensive that is. If you think of the policy manual of any organization—the HR and business policies—I'm sure they're all about this thick. Trying to pull two of those together and doing it in a coherent way that everybody understands, going forward, and there's adequate reporting, does take time. That is the kind of mundane but very important stuff the eHealth team is doing now.

Mr. Jeff Leal: Good. Thanks so much.

The Chair (Mr. Norman W. Sterling): Mr. Ramsay.

Mr. David Ramsay: Thank you, Mr. Chair. To Mr. McKinley, I guess: How many of those quarterly reports are there in total?

Mr. John McKinley: I'm not sure exactly how many there are. I think it's over 20, though. I'd have to verify the number.

Mr. David Ramsay: So they obviously go back quite a few years—

Mr. John McKinley: Yes.

Mr. David Ramsay: —at least four or five years' worth.

What is the time period for the one that is not found yet?

Mr. John McKinley: I don't have that information in front of me. I could get it and bring it back to the committee.

Mr. David Ramsay: Could you submit those reports to the committee?

Mr. John McKinley: Absolutely.

Mr. David Ramsay: That's great, thanks.

The Chair (Mr. Norman W. Sterling): Mr. Arnott.

Mr. Ted Arnott: Mr. Ouellette.

The Chair (Mr. Norman W. Sterling): Okay. Mr. Ouellette.

Mr. Jerry J. Ouellette: Thank you, Chair. Mr. Tessier, when did you receive your promotion to senior VP at eHealth?

Mr. Doug Tessier: I left the Ministry of Health in April 2008 and joined eHealth Ontario at that time in the position of vice-president of delivery partners. On the very first day I was there, Sarah Kramer approached me and indicated that Michael Guerriere was leaving the senior VP position for strategy and she would like me to fill that position on an acting basis, so April 20, 2008, and I've been filling it since. It has actually been expanded to include the delivery and deployment sides.

Mr. Jerry J. Ouellette: That was 2008, you're saying, not 2009?

Mr. Doug Tessier: I'm sorry, it was 2009.

Mr. Jerry J. Ouellette: That's okay. It would be a little difficult.

Some of the questions I have: The bulk of the contracts that took place basically from June 2008 to March 2009 accounted for about \$6.5 million and they appear to fall outside the guidelines that were established in the rules that were mentioned earlier. How is it that these contracts were approved when they didn't follow the guidelines?

Mr. Doug Tessier: I think the contracts that were approved in fact had to fit the guidelines in some way, shape or form in order to be approved. They were put forward for approval inside eHealth Ontario to the ADM, based on that level of signing authority. They did use government VORs and went forward under that premise. They were signed off—if they were small contracts, certainly managers in the area had signing authority under \$100,000, or to the ADM or the cluster CIO for signing above that, up to \$750,000.

1010

Mr. Jerry J. Ouellette: Yes, but these are Ministry of Health contracts, not eHealth contracts?

Mr. Doug Tessier: You're talking about—you said between June 2008—

Mr. Jerry J. Ouellette: Yes.

Mr. Doug Tessier: The contracts I would be aware of, at that time, would be at the Ministry of Health. It would be after April 2009 that I was at eHealth Ontario.

Mr. Jerry J. Ouellette: No, these are Ministry of Health ones that I'm referring to. For example, in the contract EH08-123R, the contract date specifically states that it started July 28, yet the billing for July, which would be three days, was \$95,949 for three days of work by an individual. How can that be?

Mr. Doug Tessier: I don't have that contract before me. I would be surprised that you could bill that much for one individual. Some of these contracts were for very large teams, so you could get large billings. I would still

be surprised for that period. I think one of the things that the auditor has identified is that there were cases where work actually started before the contract. I'm not sure if that's one of the cases, but that could lead to higher billing during the month of July. For that, if that did happen, it would have been identified and escalated for—

Mr. Jerry J. Ouellette: If you weren't sure, then who should be knowing this?

Mr. Doug Tessier: Things go up to the ADM of the program, who at that time was ADM Gail Peach. She would've had signing authority up to \$750,000 at that time. So that's where contracts of that size would have gone for approval.

Mr. Jerry J. Ouellette: But our understanding is that you should be the one who should be directly responsible in handling a lot of these contracts that were allocated out.

Mr. Doug Tessier: I was responsible for deployment, delivery and strategy and certainly would have had a role both in selecting vendors and awarding contracts and making recommendations to the ADM or the appropriate authority at that time for ones within my area of control.

Mr. Jerry J. Ouellette: This would not be one that, after the contract was awarded, you weren't aware of any of the actions that took place and where that would go to the ADM at that time?

Mr. Doug Tessier: No, in fact, I would be aware of the actions and I would be reviewing time sheets and validating that the work had actually been done and performed by the people who were there. So if it was for a contract in my area, I would have been the signing authority for time sheets and recommending payments under that contract to the ADM.

Mr. Jerry J. Ouellette: We know that the scrutiny for those contracts over \$300,000 was substantially more than those that were under \$300,000. The scrutiny for anything under \$25,000 was certainly far less, but there appears to be a significant number of contracts that fall into the \$297,000 or \$285,000 area in these timelines. It's concerning to a lot of us that they appear to be falling just under those scrutiny levels in order to make sure that they're not scrutinized at a higher level. Can you explain or do you have any background on—I'd be happy to give you EH08-109D, for example; that's one of them. There are a significant number of them that appear to—

Mr. Doug Tessier: The scrutiny on all the contracts I would describe as the same. The level of authority for approval varies. Certainly, over \$100,000 and up to \$300,000, that would be the assistant deputy minister who would have to approve that contract. Beyond that level, I would describe the scrutiny as the same; it's just a different person who actually has to approve that.

Mr. Jerry J. Ouellette: So you're saying that anything between \$100,000 and \$300,000 would be to the scrutiny of the deputy minister, then the deputy would—

Mr. Doug Tessier: The assistant deputy minister.

Mr. Jerry J. Ouellette: So the assistant deputy minister would be the one—

Mr. Doug Tessier: As a director within a program, I had authority up to \$100,000 in signing limits, unless specifically assigned, for very short periods of time, a higher amount, but that would have been the ADM's authority, though.

Mr. Jerry J. Ouellette: There seem to be a lot of contracts that were individualized as opposed to one single contract for the \$6.5 million. Can you explain as to why that was broken down as to individual contracts as opposed to one? From our perspective at least, the concern is that it appears that if you're under the \$300,000, it's certainly not the same level of scrutiny if it's over. And if it's a \$6.5-million contract, basically what these amount to would be a different amount of scrutiny as well.

Mr. Doug Tessier: I would agree with you on that, Mr. Ouellette. If the contract were a large, \$6.5-million amount, that would certainly be an RFP as opposed to a vendor of record RFS. Certainly, as a program manager, our instructions were to use the RFS, the vendor of record system, for our procurements—

Mr. Jerry J. Ouellette: And the reasoning for that would be?

Mr. Doug Tessier: I'm not sure of the reasoning for that. You'd have to take that to a higher level in the ministry. As the director, those were the instructions we got from our assistant deputy minister—

Mr. Jerry J. Ouellette: The ADM was the one who gave you the directions to use the process that you used?

Mr. Doug Tessier: Yes.

Mr. Jerry J. Ouellette: Okay. I think those are all my questions for now.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas?

M^{me} France Gélinas: My question will also be to Mr. Tessier. The signing authority is very clear: You know the amount; you know who to move it up to. The scrutiny, though: Is this always directly linked with the person who has signing authority, or is there a level of scrutiny as you go up?

Mr. Doug Tessier: There is a level of scrutiny that starts inside the project with the project manager who's reviewing the time sheets for the resources that are put in place. That includes a project management function within the eHealth program, and there is a similar function at eHealth Ontario that monitors project budget and activity against milestones on at least a monthly basis so that you can actually ensure that you're moving the project forward and that the work is actually being done. That happens certainly at a project manager and director level, and carries up right through the program.

M^{me} France Gélinas: So the example that the auditor gives that a consultant was hired, paid \$300 an hour and her task was to change greetings on voice mail, do greetings and arrange—so everybody up the chain would have known the hours' bills for that consultant. Who would have known that we were paying that consultant \$300 an hour?

Mr. Doug Tessier: That relates to something before I was at eHealth Ontario.

The Chair (Mr. Norman W. Sterling): Mr. Sapsford.

Mr. Ron Sapsford: You have to understand: Mr. Tessier, for the previous set of questions, was responding for the ministry. Your question about billings for e-mails and so forth was in eHealth Ontario, not in the ministry. So I just wanted to be clear that the auditor's report is dealing with two separate agencies. His response on your last question is really directed at eHealth Ontario, not the Ministry of Health.

M^{me} France G  linas: Okay. In your new role at eHealth Ontario, would you know: Who would know how much those people were being paid by the hour and what they were doing for that pay?

Mr. Doug Tessier: Their direct project supervisor would, and in my case, because I'm the senior staff member for many of the projects under me, I would know, starting from April 20 onwards, from a time sheet perspective, exactly what all the resources did. We have both a paper time sheet process and an automated process where all of our resources, both consultants and staff, are required to identify what they worked on during a specific period, the number of hours. So I would know that for every individual who worked for me, whether consultant or staff.

M^{me} France G  linas: And the example that the auditors give, did you know about it?

Mr. Doug Tessier: I was not at eHealth Ontario at that time.

M^{me} France G  linas: Okay, so you didn't. And in your role at the ministry you wouldn't have known?

Mr. Doug Tessier: The ministry would not have access to detailed time sheets for consultants at eHealth Ontario.

M^{me} France G  linas: Okay. They would come afterward.

How much time do I have?

The Chair (Mr. Norman W. Sterling): You have three minutes left.

M^{me} France G  linas: I'll use them wisely. John, you told us that you found out at basically the same time as your deputy, when you read it in the paper. Looking back on this, had there been any flags that now you look back and say, "That was a flag; we missed it"?

Mr. John McKinley: If I put this in context, we achieved a transition from a ministry-operated program to an agency in about four months. When we've done this in other areas, it has taken between 12 and 18 months. So one of the things that I would say in looking back is, maybe if we'd taken more time to actually manage the change, we might have had an opportunity to see types of things like that. That's what I would say is one of the learnings, from my perspective.

M^{me} France G  linas: Where did the big rush come from? Why didn't you take 18 months?

Mr. John McKinley: It was felt as if the agenda of eHealth Ontario was so important that we had to move ahead on it, that there was the opportunity for delay, the

opportunity for slowing down the progress on all of the projects, and it needed to move on.

1020

M^{me} France G  linas: Who gave you that feeling that things were so important that they needed to move that quickly?

Mr. John McKinley: It's a government direction. The government made the decision to move ahead with eHealth Ontario, create an agency. The entire government wanted to. Both my deputy and I agreed that there was a need to move it on.

M^{me} France G  linas: Given that he mentioned you, Deputy, do you agree with what he just said, that it was the government driving the pace, that that's what motivated you and your team to move the transition in four months rather than the 18 that would have been more prudent?

Mr. Ron Sapsford: The notion of consolidating all the work around electronic health records at the agency was the goal. The agency was created in the late fall, and the board and CEO appointed. The discussion immediately turned to the transition period. I had detailed discussions about the transition with the CEO of eHealth. The speed at which the transfer was to take place was clearly one of the discussions, recognizing that receiving all of the projects from the ministry would create a management burden on the agency. We talked about that on a couple of occasions.

I would have to say that I was more hesitant than the CEO. I was concerned about the date of the transition. Would all projects move on the same date? Should we move one project at a time over a three- or a six-month period? We talked through those options, but clearly the agreement was that they would transfer at one point, the CEO of eHealth Ontario feeling it was more important to begin the process of consolidation and the direct management of those projects.

M^{me} France G  linas: Did you share that feeling of wanting to slow things down with the minister?

Mr. Ron Sapsford: With the minister? No. That was a management decision in terms of implementation. The minister wouldn't normally be involved in that discussion.

M^{me} France G  linas: So you just knew that it was a government priority that needed to happen, the faster the better, and from then on you implemented it at the speed that the CEO and you agreed on?

Mr. Ron Sapsford: Correct. The government had taken its policy decision the year prior. The agency was in place. The board was there in a functioning management, so it was more of an implementation consideration than a policy direction from the government.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: One of the things that the public is clearly concerned about is this whole issue of, "Is there an eHealth system out there that has any functionality? As a taxpayer, what do I get for all this money that has been spent?" Clearly what's also going on right now is with H1N1; people are concerned about that. The ques-

tion might come up: Is there anything about this eHealth system that helps support the ministry in managing H1N1 or the health system?

I'm not sure which one of you wants to grab a piece of this, seeing as the ministry is doing H1N1 and you guys are doing eHealth. I'll let you take a bite.

Mr. Ron Sapsford: Perhaps I'll start, and my colleagues might want to finish because we're both involved. There is currently in operation a system called IPHIS; it's an integrated public health information system. It has been in operation for a number of years. It performs the function of disease surveillance. In other words, as physicians identify particular diseases in the community, it's put into this system so that the public health physicians and epidemiologists can track the course of the disease and identify problems perhaps earlier than has been the case in the past.

What that system does not have, however, is the tracking of individual immunization records. It does not have the capacity to track vaccine distribution across the province, and inventory control, which is important particularly with this particular H1N1 vaccine. There has been a project developed; it has been working now for almost a couple of years, I believe, to develop a public health integration system that does all those things. It's called Panorama. This is a national program. Almost all provinces are developing the same software so that there's consistency across the whole country, because for disease surveillance, it's important; diseases don't respect boundaries. So there's some important consideration to do this at the national level. It is being adapted for Ontario, and as I said, the plan was for implementation during 2010. So it's quite well advanced.

However, now we have H1N1. Our public health officials have felt it is important that we begin to track, in a more rudimentary fashion, the immunization records. As people get vaccinated for H1N1, we will be keeping records of people who are vaccinated—which isn't traditional in seasonal flu—as well as keeping track of the vaccine and who got which lot, so that quality control and safety can be monitored after the fact.

At the moment, eHealth Ontario and their staff have turned their attention to assisting in implementing this, I'll call it, short form of the broader Panorama system so that it can be put into operation for the current flu season. At the conclusion of that, we'll return to the implementation of the broader system. That's an important component of what we would call electronic health information.

Mrs. Liz Sandals: What I hear you saying is that there's a conversation going on where the ministry is identifying urgent priorities and that eHealth is responding. Mr. Devitt may want to comment on this.

Mr. Robert Devitt: Absolutely. With H1N1, the ministry engaged us in a conversation about whether it was possible to tone down the volume on part of a project and turn it up on another so we could be more responsive, and we're working together to do that.

Mrs. Liz Sandals: Thank you very much. I think I said S1N1 instead of H1N1; I'm combining swine and H1N1.

The Chair (Mr. Norman W. Sterling): Okay. Thank you very much to the witnesses for today.

Members of the committee, we're going to be meeting at 12:30. There's going to be a sandwich next door. If there are enough around before 12:30—I don't know what the schedules of people are—we might, in camera, start on some of the reports, but we'll have to weigh that. Are you going to be here before 12:30?

M^{me} France Gélinas: Yes.

The Chair (Mr. Norman W. Sterling): So, we'll work—

Mrs. Liz Sandals: I think for the formal part, we need to know that it's going to start at 12:30.

The Chair (Mr. Norman W. Sterling): It's 12:30. At 12:30 is when we have Hansard, and that's when we'll be dealing with the subcommittee report.

Mr. Ted Arnott: Mr. Chair, for the benefit of you as Chair and the staff, I just want to indicate that our caucus has more questions for the ministry staff and we would hope to continue this discussion at the next meeting next week.

The Chair (Mr. Norman W. Sterling): And with you, Ms. Gélinas?

M^{me} France Gélinas: There was a series of other e-mails that I would have liked to clarify. I didn't have time. I concentrated on Mr. McKinley because he was here today.

The Chair (Mr. Norman W. Sterling): Okay. We'll have a subcommittee report and subcommittee meeting and discuss our schedule either this afternoon or this week sometime.

Thank you very much.

The committee recessed from 1025 to 1232.

SUBCOMMITTEE REPORT

The Chair (Mr. Norman W. Sterling): Our first order of business is to consider the second part of the draft report of the subcommittee. Ms. Gélinas?

M^{me} France Gélinas: Can I move that we adopt the report?

The Chair (Mr. Norman W. Sterling): Yes, you can move that. Perhaps you might read the report into Hansard.

M^{me} France Gélinas: It will be my pleasure.

Your subcommittee on committee business met on Thursday, October 22, 2009, to consider the method of proceeding on the review of the 2009 Special Report of the Auditor General on Ontario's Electronic Health Records Initiative, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings in the afternoon on Wednesday, October 28, 2009, in Toronto;

(2) That the following persons be invited to appear before the committee:

—Dr. Alan Hudson, former chair of eHealth Ontario;

—Sarah Kramer, former president and chief executive officer of eHealth Ontario.

End of report.

The Chair (Mr. Norman W. Sterling): You've moved adoption of the report. Do you want to speak to your motion?

M^{me} France G  linas: Yes, absolutely.

I found during the presentation and question-and-answer session from the previous presenters that they often pointed out that the answers to our questions lay with those people who were there, either because they didn't want to infer a response for them—they basically are not able to answer our questions because they were not there. At some point, as well, they sort of laid blame on them and said that things went wrong. That was especially true of the first time the deputy came. He made it clear that some of the findings of the auditor were there because of the actions of Dr. Hudson and Mrs. Kramer.

I think it would bring an opportunity for us to understand better if we had an opportunity to question them.

The Chair (Mr. Norman W. Sterling): Okay. Further debate?

Mr. Ted Arnott: I would just concur and agree that if we're going to be able to fill in all the blanks in this ongoing narrative, we really do need the input of Dr. Hudson and Ms. Kramer. They are key actors in this ongoing saga, and without their input, I'm afraid we're not going to get all the answers we need.

1240

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: Just in partial response to what Ms. G  linas had to say, I think it isn't just simply a case that the deputy specifically cited some issues that involved Ms. Kramer's actions. I think the Auditor General's report actually cites some of the actions of Ms. Kramer as being problematic.

However, having said that, the problem with calling these particular people is in the titles as opposed to the individuals. It's the former chair of eHealth Ontario and the former president and chief executive officer of eHealth. We are a committee of the Ontario Legislature. The Ontario Legislature follows British parliamentary tradition, and in British parliamentary tradition, it is the incumbent who answers.

We've had quite good access to the incumbents: to the deputies and the deputies' staff; to Ms. Burak, the current chair, and Mr.—oh, dear, I've got a short memory. You know him, Jeff: the acting CEO.

Mr. Jeff Leal: Mr. Devitt.

Mrs. Liz Sandals: Mr. Devitt. I was going to say something slightly different. Mr. Devitt, the acting CEO. We've had their full co-operation in coming and answering questions, and that's what is consistent with British parliamentary tradition. As a committee of the Legislature, I believe we should be consistent with British parliamentary convention.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette.

Mr. Jerry J. Ouellette: Well, in that light, British parliamentary tradition also deals with precedent, and we set a precedent by allowing Mr. Tessier to come in and present. He is no longer a government member—but also a former government member. We heard his presentation, and some of the things that he mentioned were very specifically dealing with individuals—who are no longer in other positions—whom I would like to question as well, because those individuals were giving him direction, according to him. He's no longer in that position of working for the ministry.

To me, if we're going to allow it to happen for Mr. Tessier, it should be allowed to take place for other members as well. It's the only way to find out, actually, the exact details of how this unfolded.

The Chair (Mr. Norman W. Sterling): Further debate?

Mrs. Liz Sandals: Just to note that Mr. Tessier was identified on the agenda as a vice-president or acting vice-president of eHealth. He appeared here identified as a vice-president of eHealth Ontario.

The Chair (Mr. Norman W. Sterling): Yes, Ms. G  linas?

M^{me} France G  linas: I'm all for respecting parliamentary procedures as much as the next one, but I don't think those procedures go as far as stating, in any standing orders or anything, that we cannot have other people in front of the Standing Committee on Public Accounts. That argument, to me, does not hold.

The Chair (Mr. Norman W. Sterling): Mr. Arnott?

Mr. Ted Arnott: I'm for British parliamentary tradition too. In fact, I think that those traditions are important. I understand the government's argument is that because of British parliamentary tradition—I don't know what precedents the members would be prepared to cite in that respect, but British parliamentary tradition involves the functioning of the Parliament itself, not so much the functioning of the public service. Certainly a big part of British parliamentary tradition, as I understand it, is the responsibility of the government to the Legislature. This public accounts committee is a very important part of the accountability mechanisms that are built into this place.

I would submit again that if the two principal players, Dr. Hudson and Ms. Kramer—neither of whom are politicians—are not at least invited to participate in this process, our report is going to have a lot of holes in it and it's not going to contribute much to our responsibility as a committee, which is to hold the government to account, of course, in terms of its spending; to respond to the Auditor General's reports generally; and to give the public some reassurance that, in fact, we're doing our jobs.

The Chair (Mr. Norman W. Sterling): Further debate? Ms. Sandals.

Mrs. Liz Sandals: I would just note that in the time I've been on this committee, there have been numerous occasions when we have called the current deputy, even though the subject of the report might have been largely

under the purview of a previous deputy. There have also been occasions where we have called the current chairs and current CEOs of agencies, even though the actions that the report is reporting on took place under previous chairs or previous CEOs. So in fact, this committee has been quite consistent in calling current deputies and their current staff, and current chairs and CEOs of agencies and their current staff.

The Chair (Mr. Norman W. Sterling): Any further debate? Mr. Ouellette.

Mr. Jerry J. Ouellette: Mr. Tessier's evidence that he presented was from while he was working within the ministry, everything that was taking place there. I don't understand why it would be such a problem.

This parliamentary tradition—we're dealing with something far beyond the normal activities of government here. There's something very concerning to a lot of people. Quite frankly, from a political perspective, to try to stop them from coming in would certainly indicate to us that now we're finding something they're trying to hide here to some extent. I don't think we want to do this or that we want to look at any of that aspect; we want to give the opportunity. I think that the current president and CEO should be included as well, but if we need to talk to other individuals, we should not be limited to the individuals who we can request to present before this committee.

The Chair (Mr. Norman W. Sterling): Any further debate? I'll call the question.

Interjection.

The Chair (Mr. Norman W. Sterling): Yes?

M^{me} France Gélinas: Sorry. Ms. Sandals opened up referring to British parliamentary procedure then went to say maybe it's not the British parliamentary procedure; it has more to do with what we've done here in the past. To me, this doesn't hold much ground. At the end of the day, we have a report from the Auditor General. It is our mandate to make sure that we understand and that we can make clear recommendations so that we have value for money. A lot of money was spent. Those people have knowledge that would be of great importance to us to hear them so that we can do our job properly.

The Chair (Mr. Norman W. Sterling): Mr. Arnott.

Mr. Ted Arnott: I'm reluctant to have to say this, but it appears that the government members do have their marching orders on this, and it appears that they're going to want to vote this draft report of the subcommittee down. I say that with some regret because I believe that, especially when we start talking about British parliamentary tradition as an excuse, this doesn't seem to me to be anything to do with British parliamentary tradition. It's reminding me more and more of Watergate, quite frankly.

The Chair (Mr. Norman W. Sterling): Okay. All those in favour—

Mr. Ted Arnott: Recorded vote.

Ayes

Arnott, Gélinas, Ouellette.

Nays

Leal, McNeely, Ramsay, Sandals, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost.

COMMITTEE BUSINESS

The Chair (Mr. Norman W. Sterling): Next, we have another motion submitted by Ms. Gélinas. Ms. Gélinas, I ask you to put forward your motion.

M^{me} France Gélinas: You have a motion in front of you, and unfortunately, there's a new Tide, a new improved motion that I want to move forward. It's similar, but the language is better. I'm sorry it took me so long to be able to spit out what I was thinking, but I think I'm getting closer. Here it goes; it starts the same.

I move that the Standing Committee on Public Accounts immediately request that the Auditor General examine compensation—I took out "methods"—for senior executives—and this is where the change comes—in the entire public service ministries to determine whether such compensation is appropriately disclosed in accordance with the government's salary disclosure guidelines.

That's it.

1250

The Chair (Mr. Norman W. Sterling): Okay. Discussion? Do you want—

M^{me} France Gélinas: Sure. At the end of the day, we have salary disclosure. We have all read the papers and know of two cases—one a deputy minister and one with the Premier's office—where salaries were not disclosed in the way that we would have expected them to be. As I found out, it's not solely at the Ministry of Health that those happen. It also happens in other ministries. So all I'm asking the auditors to do is to look—I'm not interested in salary levels. I'm not interested in this. All I'm interested in is if we are following the disclosure guidelines, the spirit of what the guidelines were meant to do. That's all.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: If the issue is disclosure, the Premier has already directed that salaries would be disclosed in the ministry where the person is being employed, not at the transfer agency from which they have been seconded, and I'll quote the Premier because this is from Hansard in question period:

"That's why we have undertaken—I believe my honourable colleague knows this—to ensure that if you look up the salary of a senior bureaucrat working inside the Ministry of Health, that will be reflected under the Ministry of Health column and not buried away in some other hospital. Like my colleague, I disagree with that practice and that's why we're going to change it."

I don't believe he was simply talking about the Ministry of Health. He was talking about a general policy

change. The issue of whether people are being appropriately disclosed has already been addressed. There's been a policy change to make sure that it shows up in the ministry where it's supposed to be.

When this motion first started off, it appeared to be about the issue of secondment, and with respect to secondment, if secondment is being used to park somebody's salary so that you're not seeing it, then clearly the salary should show up where the person is currently employed. But the issue of secondment is actually quite a normal practice. I can think of three ministries where secondments are extensively used. The Auditor General may know of others, but I certainly know of three where secondments are extensively used. They're used in the Ministry of Health, they're used at the Ministry of Education and I would presume that they are used at the Ministry of Municipal Affairs.

The reason for that—and I know a lot about education secondments because I've seen them happen both at the receiving end and the sending end—is because often the ministry wants to use the expertise of someone on the ground for a limited period of time. It is hugely to the disadvantage of the person who is being seconded to discontinue their permanent employment relationship with a hospital, a municipality or a school board because all three of those have quite attractive pension plans, so people want to stay formally as an employee of those groups.

I'm sure secondments happen in other contexts, but there is nothing wrong with somebody being seconded from a school board at any level. I've seen people get seconded from the classroom teacher level right up to director level. I'm sure the same is true in health. You see people at various levels in hospitals, including hospital CEOs, being seconded because there's a legitimate need to borrow their expertise for a limited period of time and then they go back to where they came from. So the presumption that secondments are necessarily bad I disagree with.

The problem that is mentioned in the final motion—and I don't have the wording here in front of me—which seems to be to look at the reporting of whether they're being appropriately disclosed, has already been addressed. So I don't see any point in sending the auditor off to look at an issue that's already been resolved.

The Chair (Mr. Norman W. Sterling): Further debate?

M^{me} France Gélinas: Well, that was an interesting monologue on the use of secondment, but that's not what the motion talks about. The motion talks about looking at the entire public service to see how the disclosure of salaries is done. Sure, there will be people on secondment. There will be a number of other working arrangements that are not maliciously—they're there so that the government can do its job. I'm not saying any of this is wrong. All I'm saying is that we have guidelines regarding salary disclosure, and I want the auditor to check whether they're being followed.

The Chair (Mr. Norman W. Sterling): Mr. Ouellette.

Mr. Jerry J. Ouellette: Jim, is this something that you see would be—this would be a lot of ministries, because there are so many different levels at each of the ministries. How would you envision anything like this taking place, factually and beneficially?

Mr. Jim McCarter: We actually came across this when we did a government-wide audit of temporary help services about four years ago. We noticed that it was occurring at the Ministry of Health predominantly, but we also noticed it was occurring at a number of other ministries. We did notice, since this is where individuals were making more than \$100,000 and weren't being disclosed in accordance with the public sector salary disclosure. So we did come across it in the past, we have reported on it in the past, and we did express our concern about it in the past.

With respect to the impact on our office of doing this particular motion, as I said last week, if the public accounts committee passes a motion, we will get the work done. This would be a much more bite-sized piece of work, a much smaller piece of work, than the motion that was passed last week, which is going to involve a fair bit of work because it talked about all of the hospitals, and that's getting into a fair bit of work—154 hospitals. This would be a smaller piece of work.

The Chair (Mr. Norman W. Sterling): Just a small correction, Mr. Auditor General: The motion was not passed last week; it was a proposed motion. I think the original motion had—

Interjection.

The Chair (Mr. Norman W. Sterling): I am confused, then. You are right.

Mr. Jim McCarter: That doesn't happen very often.

The Chair (Mr. Norman W. Sterling): I'm sorry. I was confusing—I thought you were referring to Ms. Gélinas's previous motion, which had not been dealt with yet.

Mr. Jim McCarter: No. With this one, we're familiar with the issue. It would be a fairly small piece of work for us and—

Mr. Jerry J. Ouellette: But that's only pertaining to the Ministry of Health. What about other ministries? Because it does happen—

Mr. Jim McCarter: The way the motion reads, it looks at—basically, it says, "Auditor, look into whether this is happening at ministries across the Ontario public service." So we would have to go to all the ministries and we'd say to them, "We'd like to know who you've got on secondment and who's not being paid through your ministry." Then we would also have to do some due diligence work. We'd do some spot checks at the ministries to make sure that if they gave us a list, they're actually telling the whole truth and nothing but the truth. So it would involve us going out and doing work at the ministries.

We have a pretty good idea of where we think it's occurring more often than not—the Ministries of Education; Colleges and Universities; Health.

Mr. Jerry J. Ouellette: Do you believe the intent is to circumvent the \$100,000 figure, or do you believe it's more an intent for expertise?

Mr. Jim McCarter: I have to be honest, I'd be kind of guessing—

Mr. Jerry J. Ouellette: Let me reword that, then. In the past, when you have found this, did you find that there was intent for specific reasons? If so, what was that intent? Was it to circumvent a financial aspect or was it because of expertise?

Mr. Jim McCarter: My sense is, I guess, as Ms. Sandals said about the Premier saying that if someone—Ron Sapsford was one of the examples mentioned. He's being paid through, I think, the Hamilton health centre and he's disclosed under that, but he's not disclosed under the Ministry of Health.

The point we were making was that the purpose of this information—it's called the public disclosure act. The public can go to this and find out who these people are. Our point was, we think that for the Deputy Minister of Health, somebody should be able to go under the Ministry of Health records and see the Deputy Minister of Health's salary disclosure. That was our point. We weren't sure that met the intent of the legislation.

The Chair (Mr. Norman W. Sterling): Further debate? Ms. Sandals.

Mrs. Liz Sandals: Just to say that we agree with what the Auditor General just said, that when you're looking at senior executives at a ministry, you should be able to go to the ministry website and find out what they're making regardless of whether they're seconded or not.

But as I say, the policy decision to do it that way has already been made. I'm not sure that it is a productive

use of the auditor's time to tell us that there should be a policy—the policy just changed; going and looking at it right now isn't going to be helpful. When he comes to revisit that particular report down the line somewhere, he can look and check that the policy has truly changed, but we're not going to find out anything new by sending him out to do this right now. The policy has changed, the issue has been addressed. I'm not sure that we're going to usefully find anything out.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas.

M^{me} France Gélinas: I have not seen the policy, but from what the Premier said in the House, it deals specifically with secondment. I could rhyme off 10 other kinds of employment opportunities with the ministry that don't have to do with secondment and don't have to do with becoming an employee of the government either, and they would all be included in what we're trying to do here. Yes, we have identified that people being seconded from hospitals were not being disclosed in the way that the spirit of the guidelines wanted them to be. The auditor could show us if there are other such instances.

The Chair (Mr. Norman W. Sterling): I think we've heard from everybody with regard to this matter. Therefore I call a question: All those in favour of Ms. Gélinas's motion? All those opposed? The motion does not pass; it fails.

That takes care of all of the matters that we would be dealing with with regard to the committee in open session, needing Hansard. We will remain and work on some of the reports in camera. I would ask members of the public if they would leave at this point so that we can get on with our report writing.

The committee continued in closed session at 1300.

CONTENTS

Wednesday 28 October 2009

Subcommittee report	P-423
Special report, Auditor General	P-423
Mr. Ron Sapsford, deputy minister, Ministry of Health and Long-Term Care	
Mr. John McKinley, assistant deputy minister, health system information management and investment, Ministry of Health and Long-Term Care	
Mr. Dennis Ferenc, lead, stakeholder relations, eHealth Ontario	
Mr. Robert Devitt, acting chief executive officer, eHealth Ontario	
Mr. Doug Tessier, acting senior vice-president of strategy, development and delivery, eHealth Ontario	
Subcommittee report	P-435
Committee business	P-437

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mr. Ted Arnott (Wellington–Halton Hills PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Jeff Leal (Peterborough L)

Mrs. Carol Mitchell (Huron–Bruce L)

Also taking part / Autres participants et participantes

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Margaret Drent, research officer, Legislative Research Service



P-25

P-25

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

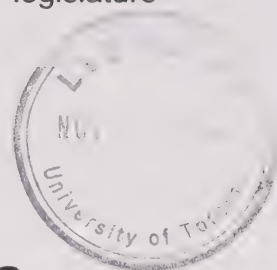
Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 4 November 2009

Journal des débats (Hansard)

Mercredi 4 novembre 2009



Standing Committee on Public Accounts

Special Report,
Auditor General

Comité permanent des comptes publics

Rapport spécial
Vérificateur général

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 4 November 2009

Mercredi 4 novembre 2009

The committee met at 1231 in committee room 1, following a closed session.

SUBCOMMITTEE REPORT

The Vice-Chair (Mr. Ted Arnott): I'm going to call the committee to order and get started.

The first item on our agenda is to deal with the subcommittee report. I would entertain a motion with respect to that. Ms. Sandals.

Mrs. Liz Sandals: I move acceptance of the subcommittee report, which reads as follows:

Your subcommittee on committee business met on Wednesday, October 28, 2009, to consider the method of proceeding on the review of the 2009 special report of the Auditor General on Ontario's Electronic Health Records Initiative, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings in the afternoon on Wednesday, November 4, 2009, in Toronto.

(2) That the following persons be invited to appear before the committee:

—Ron Sapsford, Deputy Minister of Health and Long-Term Care;

—Rita Burak, interim chair of the board of directors of eHealth Ontario.

(3) That the clerk of the committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Vice-Chair (Mr. Ted Arnott): Thank you very much, Ms. Sandals. Any discussion relating to the motion?

Ms. Sandals has moved the adoption of the subcommittee report. All those in favour of the motion, will please say "aye." Any opposed? The motion's carried.

Ms. Sandals, I understand you have a motion?

Mrs. Liz Sandals: I have a motion, and I'm just digging for my glasses here because the next one is in a smaller font.

The Vice-Chair (Mr. Ted Arnott): We could deal with it after the testimony of the witnesses or now. Which would be your preference?

Mrs. Liz Sandals: Just as long as we deal with it before we leave today. The witnesses are here, so I don't want to waste their time.

The Vice-Chair (Mr. Ted Arnott): Okay. So let's make a note to deal with it before we wind up the meeting.

SPECIAL REPORT, AUDITOR GENERAL

The Vice-Chair (Mr. Ted Arnott): Now we move to consideration of the 2009 special report of the Auditor General on Ontario's Electronic Health Records Initiative. On behalf of the committee I want to extend a welcome to all of the witnesses who are here today to answer the questions of the committee. Would you please, first of all, identify yourselves for the purposes of Hansard and then we will move into questions.

Mr. Dennis Ferenc: I'm Dennis Ferenc working with the Ministry of Health, eHealth liaison branch.

Mr. John McKinley: John McKinley, assistant deputy minister of information management and investment with the Ministry of Health and Long-Term Care.

Mr. Ron Sapsford: Ron Sapsford, Deputy Minister of Health and Long-Term Care.

Ms. Rita Burak: Rita Burak, interim chair of eHealth Ontario.

Mr. Robert Devitt: Rob Devitt, CEO, eHealth Ontario.

Mr. Doug Tessier: And I'm Doug Tessier. I'm the acting senior vice-president of strategy, development and delivery at eHealth Ontario.

The Vice-Chair (Mr. Ted Arnott): Thank you very much. As is customary with this committee, we do questions in rotation in approximately 20-minute blocks. So I'll turn first to the official opposition and recognize Ms. Elliott.

Mrs. Christine Elliott: Thank you, everyone, for joining us this afternoon. We do have a number of questions that we would like to ask you, but I was wondering if it would be okay to start with Mr. Ferenc first, if I might?

First of all, if you could just tell us your current position and the length of time that you've held that position.

Mr. Dennis Ferenc: I'm actually a consultant working with the Ministry of Health and my contract started on April 1.

Mrs. Christine Elliott: April 1 of—

Mr. Dennis Ferenc: Of this year, 2009.

Mrs. Christine Elliott: Can you tell me what your position was before that or where you were before that?

Mr. Dennis Ferenc: Yes. I was doing consulting work as well with the eHealth program in the stakeholder relations and communications area.

Mrs. Christine Elliott: And how long had you been doing that?

Mr. Dennis Ferenc: I had a number of contracts about a year in length each time.

Mrs. Christine Elliott: Dating back from when?

Mr. Dennis Ferenc: I think it was 2002-03, but not just in the eHealth liaison. I did a number of other things as well. I had a number of different contracts through that time period.

Mrs. Christine Elliott: Could you sort of take us through your beginning, I guess, as a consultant, where and when you worked and under what circumstances? Give us a bit of a history, if you could.

Mr. Dennis Ferenc: I'll try. That's going back a few years. I wasn't prepared for that question, so let me try to think.

1240

I believe I started consulting work in September 2002. Actually, I started teaching part-time at Fleming College. Then I believe I had a contract with the OCCIO's office at Management Board, the Office of the Corporate Chief Information Officer. I also did a small contract around December of that year with the Ministry of Health in Kingston to deal with some human resources issues that were happening at the time.

I think in 2003, around February, I was working with the Ministry of Health doing some very early work on e-social services and e-health. There were transformations going on in both areas, and I was sort of working on both of those projects at the time.

After that it kind of gets fuzzier. I also worked with the Ministry of Health as a consultant doing interjurisdictional alliance and communication. Canada Health Infoway was fairly new at the time, and I was working with the ministry to start establishing the relationships with Canada Health Infoway to provide one window to the province and Canada Health Infoway.

I think the following year I worked in the customer relations area as we were trying to figure out how we were going to be moving forward on our strategy for stakeholder relations. I think my last contract was stakeholder relations and communications.

That's it as I remember. There were probably some other ones in there, but I can't remember them off the top of my head right now.

Mrs. Christine Elliott: So in the last couple of years, can you sort of fill us in between—

Mr. David Zimmer: Mr. Chair, I can't hear.

Mrs. Christine Elliott: If you can just fill in the last couple of years. Preceding when you started on April 1 this year, can you tell me where you worked?

Mr. Dennis Ferenc: Yes. I think the last couple of years were in the stakeholder relations and communications area with the e-health program. In the latter

contract, I was helping with the transition from the ministry's e-health program over to eHealth Ontario. My current contract is actually dealing with the final knowledge transfer and wrap-up of that.

Mrs. Christine Elliott: Can you tell us what the terms and conditions of your current contract are?

Mr. Dennis Ferenc: The terms and conditions?

Mrs. Christine Elliott: Of the length of time, the—

Mr. Dennis Ferenc: My contract ends on November 27, this month. It was from April 1 to November 27.

Mrs. Christine Elliott: Okay. Can you tell us the terms of remuneration for this contract as well?

Mr. Dennis Ferenc: I'm an employee with PSTG Consulting. PSTG Consulting actually has the contract with the Ministry of Health under their VOR arrangements. I have an employment contract with PSTG, but what the agreement is with the Ministry of Health, I don't know.

Mrs. Christine Elliott: So you're not aware of the terms and conditions of it?

Mr. Dennis Ferenc: Of that contract, no.

Mrs. Christine Elliott: Who should I ask to see if we could get a copy of that contract?

Mr. Dennis Ferenc: I believe the ministry can provide that contract, but I have not seen it.

Mrs. Christine Elliott: Mr. Sapsford, would that be appropriately addressed to you? Would you be able to provide us with that?

Mr. Ron Sapsford: Yes, we'll go through the process to bring it to committee.

Mrs. Christine Elliott: Okay. If you could provide us with that, that would be great.

Can you fill us in just a little bit more about what it is that you're actually doing right now under the terms and conditions of this contract, what your requirements are?

Mr. Dennis Ferenc: As I said, most of my work has been with the post transfer to eHealth Ontario. The e-health program has shrunk a great deal, and there are fewer staff now in the Ministry of Health's liaison program than there were, say, before the transfer. I'm the one who has probably the longest knowledge of some of the issues and that, so I've been using my background and experience to share that with the employees.

There has been a new branch restructuring just recently in October, and there are some new folks there. I'm now in the process of wrapping up my knowledge transfer. I will be done on November 27.

Mrs. Christine Elliott: In the course and scope of your work under this contract, were you in a position to approve other consultants' contracts?

Mr. Dennis Ferenc: Never.

Mrs. Christine Elliott: Did you hire any other consultants in the course of your business?

Mr. Dennis Ferenc: Never.

Mrs. Christine Elliott: In the course of what you did before April 1 in your previous contract, did you?

Mr. Dennis Ferenc: Never, no.

Mrs. Christine Elliott: When you finish on November 27 of this year, are you going to be continuing on any other contracts with eHealth or with—

Mr. Dennis Ferenc: Not with the Ontario government, no.

Mrs. Christine Elliott: So you're going to be moving away from that. Who do you report to at the ministry?

Mr. Dennis Ferenc: Today?

Mrs. Christine Elliott: Yes.

Mr. Dennis Ferenc: Marilyn Elliott, the acting director.

Mrs. Christine Elliott: And under your previous contract?

Mr. Dennis Ferenc: Over, I think, the last two years it was Gail Paech, the assistant deputy minister.

Mrs. Christine Elliott: And how often would you be reporting, first of all to Gail Paech, and now to Marilyn Elliott? Would you be meeting with them on a regular basis—

Mr. Dennis Ferenc: Yes, almost daily.

Mrs. Christine Elliott: Throughout the course and scope of your contract?

Mr. Dennis Ferenc: Yes.

Mrs. Christine Elliott: And what sorts of things would you be reviewing with them?

Mr. Dennis Ferenc: Again, under Gail, I was asked to develop a stakeholder relations framework, a process for how we would engage stakeholders; also, looking at the kinds of communication tools that we might need to support the implementation of eHealth across the province.

We had communications people in a number of the different projects, so another important thing we were trying to do was get consistency-of-messaging approaches and whatever, so we had everyone on the same page. I did a lot of the coordination work for that, and I also had a regular, ongoing relationship with Canada Health Infoway, as that one window to the province.

Mrs. Christine Elliott: So you were sort of doing some liaison work?

Mr. Dennis Ferenc: Yes.

Mrs. Christine Elliott: Did you have any involvement in any of the consulting contracts that were handed out by the eHealth program at the ministry?

Mr. Dennis Ferenc: No.

Mrs. Christine Elliott: Were you aware, either under this contract or the previous contract, that there were any concerns or objections about hiring Sarah Kramer as the CEO of eHealth Ontario?

Mr. Dennis Ferenc: No.

Mrs. Christine Elliott: No one ever said anything to you expressing any concern one way or the other?

Mr. Dennis Ferenc: No.

Mrs. Christine Elliott: Okay. According to Sarah Kramer's calendar on November 3, 2008, you were at a meeting with Sarah Kramer, Alan Hudson, Gail Paech and Mr. Tessier. Do you recall what was discussed at that meeting?

Mr. Dennis Ferenc: November 3 of last year?

Mrs. Christine Elliott: Yes. Almost exactly a year ago.

Mr. Dennis Ferenc: No, I don't.

Mrs. Christine Elliott: Would you have any notes of that that you would be able to take a look at?

Mr. Dennis Ferenc: I might. I'd have to look.

Mrs. Christine Elliott: Could you undertake to provide us with copies of any notes that you made with respect to that, or any agendas, anything that you had with respect to any meeting?

Mr. Dennis Ferenc: Yes.

Mrs. Christine Elliott: Similarly, you also had a breakfast meeting with Sarah Kramer on April 16 of this year. Can you advise us what was discussed at that meeting?

Mr. Dennis Ferenc: Yes, I remember that meeting. We talked about a lot of different things. I had known Sarah from before—I don't say we worked closely, but we had sort of touched base in different forums. One of the things we were talking about were some of the things we needed to do going forward; she was looking for my opinion on different things.

Mrs. Christine Elliott: And can you just tell us how you knew Ms. Kramer?

Mr. Dennis Ferenc: Well, the eHealth pool is a very small pool. I had known her from Cancer Care Ontario, and I think I had met her also, years ago, when she was in Nova Scotia as the CIO; but it was just from being at meetings and stuff.

Mrs. Christine Elliott: So she wanted your opinion on how to go forward?

Mr. Dennis Ferenc: Yes.

Mrs. Christine Elliott: And can you tell me what advice you gave to her?

Mr. Dennis Ferenc: I can't remember the details. It was just an informal breakfast meeting.

Mrs. Christine Elliott: So again, if you have any notes or any—

Mr. Dennis Ferenc: I can tell you, I didn't have any notes; it was just meeting for breakfast.

Mrs. Christine Elliott: Okay.

Mr. Dennis Ferenc: She was on her way to a meeting at our office, so I walked back with her. It was just an informal breakfast meeting.

Mrs. Christine Elliott: Do you recall if you had any conversation with her at that meeting about the sense that the consultants working at eHealth Ontario were sole-sourced?

1250

Mr. Dennis Ferenc: No.

Mrs. Christine Elliott: Did you ever have any conversations with her about that at any time?

Mr. Dennis Ferenc: No, nothing at all. We never talked procurement at all.

Mr. Jerry J. Ouellette: For Mr. Sapsford: We know that you've had a number of meetings with Sarah Kramer. How did you react when you found out that these were untendered contracts?

Mr. Ron Sapsford: Starting in June?

Mr. Jerry J. Ouellette: Well—

Mr. Ron Sapsford: Yes, in June. Well, with some surprise.

Mr. Jerry J. Ouellette: So you had no prior knowledge of it at all? In the eight meetings that you had, it was never discussed or anything about—

Mr. Ron Sapsford: Specific contracts? No.

Mr. Jerry J. Ouellette: About the \$1.9 million in contracts that had gone out that were untendered.

Mr. Ron Sapsford: No, there was no specific discussion. I think, as I answered the question the last time, we did have a discussion about procurement and the memorandum of understanding and the policies around it and wanted some assurance that those were in place and that the agency would operate within the procurement and the conflict-of-interest provisions. Those were the discussions we had.

Mr. Jerry J. Ouellette: But as the deputy minister, wouldn't it be something that you would expect to be aware of?

Mr. Ron Sapsford: No. This was a self-sustaining agency. It had its own board and management and the expectation was that the agency would conduct its business as any other external agent. The review of individual contracts on a weekly basis would not form part of our discussion.

Mr. Jerry J. Ouellette: But then how would you explain that on Sarah Kramer's calendar notes, on November 14, you were to discuss the sign-off of Accenture? On November 14, in her calendar notes, it specifically stated that you had a meeting to discuss the sign-off at that time—2008.

Mr. Ron Sapsford: I think that related to a contract that had been approved by the government for the provider and patient registries. That had been approved and the ministry had started the implementation. That was prior to the creation of the agency and the hire of Ms. Kramer.

Mr. Jerry J. Ouellette: Right.

Mr. Ron Sapsford: So we were in the process of moving through the implementation and Ms. Kramer raised several concerns about some of the terms, which ultimately were resolved. I believe it would be this meeting where either she raised some of those issues or where we talked about the resolution. If it's referred to as sign-off through discussions with ministry staff, the concerns that she had raised were resolved and so this would be a meeting to sign off on that.

Mr. Jerry J. Ouellette: But eHealth was up and running on September 29.

Mr. Ron Sapsford: Yes.

Mr. Jerry J. Ouellette: So you feel that this November 14 note doesn't refer to the untendered contracts. It refers to an additional contract, another contract?

Mr. Ron Sapsford: It doesn't refer to any of the contracts that were sole-sourced that were identified by the Provincial Auditor.

Mr. Jerry J. Ouellette: No further questions at this time.

The Vice-Chair (Mr. Ted Arnott): Do you have another question, Ms. Elliott? You still have some time.

Mrs. Christine Elliott: If I could just go back to Mr. Ferenc, if I might. Getting to the Auditor General's investigation into the Ministry of Health: Were you responsible for arranging the space for the Auditor General's staff and for arranging access to documents?

Mr. Dennis Ferenc: I was not involved in the space at all. I was involved in the provision of the documents, yes.

Mrs. Christine Elliott: And can you tell me how that went? From when you first received the request, what steps were gone through and what problems, if any, did you encounter?

Mr. Dennis Ferenc: I think we met with the audit team very early, in September 2008, and I think at our first contact we agreed to start sharing information, so we did a number of briefings with the audit team at that time. Because we had just received approval with the government's new eHealth strategy, the work around the creation of eHealth Ontario, there were a lot of things happening at that time. We wanted to make sure that the audit team understood the context of what was going on at the time, so we spent a lot of time briefing them at the beginning. We received requests from the audit team, either verbally or in e-mail format. We preferred it in writing so things wouldn't get lost. When I received the request, I determined who should fulfil the request and the subject-matter expert that would be in the best position to fulfil those requests.

We try to fulfil all the requests within a 48-hour time period. Sometimes we could do it immediately because we had the documents right on hand. Other times, it took a bit longer because the documents were in other locations or they had to be compiled or there was a formal process to get approvals to release the documents.

Mrs. Christine Elliott: You mentioned "We had briefings." Can you tell me who was involved in those briefings besides yourself?

Mr. Dennis Ferenc: It varied because people had different responsibilities within the eHealth program. For example, Mr. Tessier provided a briefing on the overarching strategy and the subcomponents. We had the lead of our project management office talk about the project management process and how we did project reporting. We had our chief architect talk about the overarching architectural blueprint—so the interoperability and how we saw that going. So there were different people. Those are the ones I remember at the beginning.

Mrs. Christine Elliott: So things were going okay at the beginning but then seemed to have hit some kind of a snag. The Auditor General, as you know, has reported that he was not able to get complete access until February 2009 and that, without putting words in his mouth, this delay was somewhat unusual.

It has been suggested that you were one of the ministry officials that was responsible for delaying the Auditor General's staff from having complete access. What do you have to say about that suggestion?

Mr. Dennis Ferenc: The word “access” is an interesting word and can be interpreted in a number of different ways. My involvement was with information requests and providing information. There was no delay. My responsibility was to share the information and get it to them as quickly as possible, and I did that throughout the whole course of the audit—from the beginning to the end.

Mrs. Christine Elliott: Do you have any idea what the problem was, then, if it wasn't just in providing information?

Mr. Dennis Ferenc: I understood in January, when I returned from vacation, that there had been an issue with space and accommodation. That was the first time I was aware that there was an accommodation or space issue.

Mrs. Christine Elliott: Didn't it seem somewhat unusual that it would have taken months to resolve an issue if it was just a matter of space?

Mr. Dennis Ferenc: Sorry, I can't speculate on that. I don't know.

The Vice-Chair (Mr. Ted Arnott): That concludes the time for the official opposition for this round. I'll turn now to the New Democrats. Ms. Gélinas.

M^{me} France Gélinas: Last week, I had tabled a series of e-mails that had been shared through the freedom of access of information. If anybody's interested in following up, I'm starting with a document that has a big “C” at the top—if you've kept it.

Mrs. Liz Sandals: I don't think we've got that.

Interjection.

M^{me} France Gélinas: But even if you haven't kept it, you'll still be able to follow.

Mrs. Liz Sandals: This is the same document as the one last week?

M^{me} France Gélinas: Yes, same one. But I'll come to it in a second. Even if you don't have it, I'll give you the part.

My first question—I'm not too sure who to address it to, so maybe I'll start with you, Deputy. If you figure somebody else—you can give it to somebody else.

Mr. Ron Sapsford: Okay.

M^{me} France Gélinas: Who was involved in the negotiation with the Ontario Medical Association of the \$236-million deal that was signed in July?

Mr. Ron Sapsford: Well, most of the discussion over the details would have been between eHealth Ontario and OntarioMD.

M^{me} France Gélinas: Between the what?

Mr. Ron Sapsford: EHealth Ontario.

M^{me} France Gélinas: EHealth Ontario and OntarioMD. And who would be the people involved? Let's start at eHealth.

Mr. Ron Sapsford: I'll let eHealth respond to that.

Ms. Rita Burak: Ms. Gélinas, I have not had a chance to look at this memo. We can take it from June 2009. I guess I'm going to turn it immediately over to Rob or Doug to speak to when eHealth picked up the ball, if you will.

1300

M^{me} France Gélinas: Sure.

Mr. Doug Tessier: Sure. Certainly, I can respond to that on behalf of eHealth Ontario. The negotiation with OntarioMD—and it was a negotiation between OntarioMD and eHealth Ontario—was led by the delivery partners area of eHealth Ontario, and that is accountable to me. I was very closely involved with those negotiations and in briefing our board on those negotiations and on keeping the ministry up to date on the status of the negotiations as well.

M^{me} France Gélinas: And were the other people who were representing eHealth working with you on this deal?

Mr. Doug Tessier: That's right. The primary people working on the deal would have been two people who are no longer with eHealth Ontario. They were both consultants. The first would have been Anne Finlay, who was acting in the role of the vice-president of delivery partners. The lead of our physician eHealth team, who is not with eHealth Ontario today, is a man named Mel Casalino. Certainly there were other staff involved but those were the two leads of that team, under my direction.

M^{me} France Gélinas: Okay. They negotiated with representatives of OntarioMD. Do you remember who represented OntarioMD?

Mr. Doug Tessier: Certainly. We dealt with Brian Forster, who is the CEO of OntarioMD, and his negotiation team, which also included people from the Ontario Medical Association and, I'm sorry, I'm not exactly sure what those names were. We certainly talked to Jonathan Guss, the CEO of the OMA, around the framework for the negotiations. He was not actively involved in the negotiations.

M^{me} France Gélinas: Why wasn't the public made aware once the deal had been signed? You signed a \$256-million—this is a lot of money; isn't it? Every time I see it, it seems bigger. You signed for \$256 million. Isn't this something that's worth celebrating, if nothing else? I mean, that's a big deal; isn't it?

Ms. Rita Burak: I wonder, as the chair, rather than delegating that to staff, I could begin.

M^{me} France Gélinas: Sure.

Ms. Rita Burak: If I may, Chair, to frame the discussion from the perspective of eHealth and the board, I wonder if I could ask that members be provided with a copy of the strategy document that eHealth Ontario distributed after a great deal of consultation with a lot of players in the sector and which gives a very prominent position to your point about the importance of physicians' eHealth. As these are being distributed, if you could begin on page 13—

M^{me} France Gélinas: When did that come out?

Ms. Rita Burak: This was published, I believe, in March 2009. I understand, although I was not there, that it was widely distributed, certainly within the sector and amongst many in government. But if I could turn—

M^{me} France G  linas: Because this is a little bit of old news—I'm not taking offence that we're bringing our physicians on board. Physicians have to buy in to eHealth. They are the main providers of primary care. The strategy is there; the auditor talks about it. We all know—and certainly I encourage you to continue. What I'm interested in is specifically about the transparency and accountability with the deal. The need to make that deal is not the issue. It's the transparency and accountability of it that is my issue.

Ms. Rita Burak: Thank you, and I appreciate that clarification. I wanted, before answering your question, though, to assure you that this is an extremely important element of the strategy.

I would explain to you that we got to a point when we were prepared, based on the negotiations and our understanding of how things would be handled, to actually provide the transfer payment to the OMA. We had some discussions with the government, which, at the end of the day, has the right to determine communications in these matters, particularly with a transfer payment of this size.

For a number of reasons, the government was not ready to make an announcement. We made a judgement call about the extent to which we hold up progress, because in the strategy we commit to bringing a certain number of additional positions onto the system. We made a judgment call about moving on that prior to a formal public announcement and began to work with the OMA, informing the ministry that we were doing so to get in a get-ready position so we wouldn't lose another quarter in moving on the strategy. The events moved quickly beyond that from the OMA side, and on that sequence of events maybe I could just get Ron or Doug to speak to how the OMA had to inform their positions on what was coming down the pipe.

M^{me} France G  linas: I think I know that part quite well. The part I'm interested in is, how insistent were you that this had to be made public, and what argument did the ministry have? I realize that the ministry decided not to make that public. How insistent were you that this had to be public, this had to be transparent, you had to show accountability, and yet the ministry wouldn't—

Ms. Rita Burak: I think it goes without saying that when you have a transfer payment of this size, you don't have to connect the dots for people about how important it is. I can tell you that we were clear with the ministry about how far along things had come and how positions were in a state of readiness and began the work, as I say, with the OMA.

M^{me} France G  linas: What kinds of arguments were there for not letting you share this good news?

Ms. Rita Burak: I can only say that, as you would know, the protocol on these matters really belongs to the government, and one hates to pass the ball to a—

M^{me} France G  linas: Everybody else does it; it's okay.

Ms. Rita Burak:—very busy Deputy Minister of Health these days, but I will.

Mr. Ron Sapsford: I think, as Ms. Burak has said, that the decision to move ahead with this particular part was well understood; it was part of the plan. The money had been allocated, the negotiation had been completed, and so there was some desire on the part of eHealth and OntarioMD to begin the preliminary parts of the implementation to keep the schedule moving forward. That included things like physicians who were lining up to apply for it and people who wanted to start that particular process. So there was an agreement that they would continue on on that early part of the implementation.

M^{me} France G  linas: The part that interests me is that here the auditor was probably still in your office at this point.

Mr. Ron Sapsford: No, clearly not.

M^{me} France G  linas: No? He was busy writing up his report.

Mr. Ron Sapsford: No. I think this agreement was finally concluded in July or August of this year.

Mr. Doug Tessier: July.

M^{me} France G  linas: He says July.

Mr. Ron Sapsford: Yes, this is quite recent.

M^{me} France G  linas: Okay, so let me rephrase this: Here we have—Ms. Kramer is gone, Dr. Hudson is gone, new people, and the headline in the paper is, "We want transparency, we want accountability at eHealth." You're doing a quarter-million-dollar transfer payment of something that is within the plan that is good, and you keep it secret? What was the thinking behind that?

Mr. Ron Sapsford: It's the prerogative of the government to make its announcements, as you well know.

M^{me} France G  linas: What was your position on this? Did you encourage your minister to make an announcement?

Mr. Ron Sapsford: I don't remember. I was at eHealth during much of this time. So, yes, this is good news, this is the advancing of the agenda, so from my perspective, absolutely. This is a good investment. It's right in line with where we want to go. It's bringing positions—

M^{me} France G  linas: If it had been your decision, you would have made it public and announced it as good news in July?

Mr. Ron Sapsford: Well—so if you go back in history and you look at the context that the ministry was in during those days, there was a lot of public controversy. Shortly after, there was a new minister. How the government makes decisions is, frankly, in the government's hands, but I wouldn't characterize this as secret by any stretch. There has been a lot of work done on this. It has been well understood; it's part of the agenda. Whether the government specifically made a public announcement about it, I don't—sooner or later, I suppose that comes up, but my view is that the process was put in place to keep the implementation moving forward in terms of—where I saw the interest was keeping it moving forward.

1310

M^{me} France Gélinas: So you were keeping this—you finally had a deal with OntarioMD; the physicians were finally on board. We know that getting the physicians on board must have required a ton of work, goodwill and everything else in between, and you're finally successful and you don't tell anybody.

Mr. Ron Sapsford: The people who needed to carry the work on knew and were busy implementing that particular agenda.

M^{me} France Gélinas: Don't you think that eHealth needed a little bit of good news? Why hold back?

Mr. Ron Sapsford: You're asking me?

M^{me} France Gélinas: Yes, I'm asking you.

Mr. Ron Sapsford: All the good news they could get, and I'm sure the chair would concur, yes.

M^{me} France Gélinas: But yet nobody did it. All right.

In the Star they talk about a 15-year agreement between Nightingale and eHealth Ontario. First of all, is that true?

Mr. Doug Tessier: I can certainly answer that. Yes, it is, for the ASP vendors. Because physician adoption is something that builds slowly over time, all three of the vendors of the ASPD, alternate service provider solution, have a 15-year agreement.

M^{me} France Gélinas: Who are the other two?

Mr. Doug Tessier: The original one is xwave, which has had their deal in place for several years, and the other one is Practice Solutions.

M^{me} France Gélinas: Can we have a copy of the agreement between eHealth and OntarioMD?

Mr. Doug Tessier: I don't see why not. We can certainly provide that, as far as I know.

Ms. Rita Burak: I suppose, just to follow protocol, we should ensure that the OMA is in agreement, but I can't imagine why they would not be.

M^{me} France Gélinas: If you could table it with the committee.

Ms. Rita Burak: Certainly.

M^{me} France Gélinas: Looking at the deal from the outside, because I haven't seen it, I haven't had access to it: We talk about 5,700 physicians and we talk about a maximum amount of \$30,000 per physician. It doesn't take long to do the math and realize that there is about \$65 million not accounted for. Can somebody give me the highlights as to what we are buying with the \$65 million and if we are getting value for money?

Mr. Doug Tessier: Certainly I can start the answer to that question, and if people would like to chime in—the amount that you talk about is for new physicians: 5,700 into the program, approximately \$30,000. That, by the way, covers hardware, software and services over a three-year period, which is very consistent with other jurisdictions and almost the same as British Columbia and Alberta.

The remaining amount of money in the deal has other components. It's for the operation of a transition support program to help physicians, because they need a lot of guidance. They're not technology experts. There's a lot

of training and transition as they move from paper to EMR. There is a fixed cost amount of it, which is for OntarioMD and their operation. It's not a huge organization, but it's not small either.

The other thing that's included in this as well is an incentive. There is a subsidy for the 3,300 physicians who participated in the first deal between the ministry at that time and OntarioMD. It's a smaller subsidy than the \$30,000 amount that goes to the new adopters now, and how many months it covers does depend on when they got into the program. But that's to encourage people who were early adopters and have gotten into this and are using EHRs. It moves forward on that. The other amount would be for support of the portal. We actually can provide the exact details. It will be covered in the OMD agreement, if we table that. Those dollars are specific in there. It adds up to the \$236 million, certainly.

M^{me} France Gélinas: In some of the—

Mr. Robert Devitt: If I could just add—

M^{me} France Gélinas: Sure.

Mr. Robert Devitt: Within that agreement, OntarioMD provides eHealth Ontario with regular reports on uptake as well, so that it's not just sort of a vague number in terms of dollars and a period of time. We get regular reports, and there are targets on not only the number of MDs who have taken in a technological solution—they've set it up—but in fact the number of their patients who are on it. So we get both the introduction of the technology in the office and, more importantly, actual use of that technology in the delivery of patient care.

M^{me} France Gélinas: Okay. With this technology that you're rolling out, are the physicians able to connect with public health unit labs?

Mr. Doug Tessier: The connectivity is actually through our Smart Systems for Health network. A physician who's connected either through our Smart Systems network or through a secure Internet connection can actually connect to any of our products and services or any of anyone else's products and services who go through our network. Public health labs would be a perfect example of that. They are using our network now with their IPHIS application.

Either through a secure Internet port or through our network they would certainly be able to connect to those services.

M^{me} France Gélinas: You were there when the negotiations were going on. I don't know if you have this little document, but even if you don't, in her e-mail she basically says that they're having a really tough time. They have \$286 million on the table and the OMA and OntarioMD are not biting. What made you successful at \$50 million less?

Mr. Doug Tessier: In fact, this relates back to negotiations that were part of the agreement between the Ministry of Health and the OMA last summer. Not in the summer of 2009, but in the summer of 2008 that agreement was negotiated. Gail Paech and I were actually part of those negotiations when eHealth was going to be part of the larger OMA deal. Those negotiations did

move into the fall, and for whatever reason, the Ontario Medical Association decided to take physician eHealth off the table. There was originally a potential pot of \$286 million. That was removed from the original negotiations and actually delegated to eHealth Ontario to negotiate in the spring of 2009—we actually got the mandate from the ministry in May, I believe, to do that. We were able to negotiate an agreement for a smaller amount, and the smaller amount is really tied to a smaller number of physicians, 5,700.

If it was going to be \$286 million, it might cover a higher number of physicians or an enhanced model, but that was part of the speculative negotiation the year before. We're quite confident in the \$236 million.

M^{me} France Gélinas: So when you were at the negotiation table between the ministry and OMA and the \$286 million was one of the bargaining items, who had authorized \$286 million for eHealth at the time?

Mr. Doug Tessier: At that time, Gail Paech was the head of the eHealth program. To tell you the truth, I'm not sure who in the ministry decided on that \$286 million. It was certainly speculative, anyway, and it did include, by the way, a full subsidy to all the earlier doctors, which meant they would have all gotten \$30,000. But again, it was negotiation only. I'm not sure if the ministry has any comment on that.

M^{me} France Gélinas: Do you?

Mr. Ron Sapsford: We're talking about two different things.

M^{me} France Gélinas: Yes. I'm now talking about back at the Ministry of Health-OMA negotiation in the summer of 2008. There's \$286 million on the table to get OMA to agree to bring physicians online and OMA doesn't want it. I want to know who had agreed to \$286 million being brought forward in that negotiation.

Mr. Ron Sapsford: It would have been part of the negotiation of the bargaining team, and some of the approvals would have come from the mandate that the bargaining team had from the government, as well as allocations that had already been part of the overall eHealth agenda. Part of the discussion was about the dollar amount but, more importantly, part of it was whether we would include agreements around eHealth for a physician inside the OMA agreement. There was a subsequent decision not to do that, hence this \$286 million fell off the table and then reappeared as part of the discussion that eHealth carried on.

This question deals more with what would be in and outside of the agreement with the Ontario Medical Association.

1320

The Vice-Chair (Mr. Ted Arnott): Thank you very much. That concludes the time that you have, Ms. Gélinas. I will now turn to the government members. I've had indications of interest from two. Which one of you wants to go first, Mr. Zimmer or Ms. Sandals? Mr. Zimmer.

Mr. David Zimmer: Yesterday the Toronto Star had a story about the funding to help the additional 5,700

doctors implement electronic medical records, a big price tag. Can you tell us in layman's language two things: What is that project all about and what is the benefit of the project to Ontarians generally?

Mr. Robert Devitt: Sure. I can start, and if I miss anything, the others can add in.

The bottom line is that this is bringing an electronic health record into a doctor's office. Doctors right now who have patient information in folders on paper are being given a grant or a subsidy to replace that paper-based system with a computerized system. That means when a patient goes to see their doctor, they may actually be able to sit down together at the screen and look at lab results or other patient information. I know this well because the family health team I'm a member of has an automated chart. When it comes time to get a prescription, the doctor just points and clicks and types something in, and out pops the prescription. All of my medication history is there, all of my previous visits, that sort of thing.

This is a crucial, crucial piece of an electronic health strategy, and it's bringing our physicians' offices into the electronic age.

In terms of the benefits, I think the benefits are obvious. Patient safety: We know that there are issues with paper-based systems. Handwriting is a major issue; we joke about how people with messy handwriting should have been physicians. This way, information is absolutely clear. It allows for proper retrieval. It's easy to lose paper; it's very hard to lose an electronic record. It gives us the foundation to transfer that information to other providers, with the patient's permission and going through all of those privacy pieces, whereas a paper-based system can only be seen by the person who's holding the piece of paper. This gives us all of those patient safety and quality-of-care advantages of an electronic record because it is the electronic record in a physician's office.

Mr. David Zimmer: I suppose in some ways, it's like a pilot project, although that's probably not the right word. If it works well with the 700 doctors, then it spreads throughout the medical community? Is that the idea?

Mr. Robert Devitt: It's a continuation of what's already started. We've already got 3,300 physicians, I believe, with EMRs. This is the next wave.

There are about 26,000 physicians in Ontario, so the question might be, why are you going only to 5,700? I guess a couple of thoughts: As I think we said last time, the way to move ahead an agenda like this is step by step, one piece at a time. To try to do a blanket initiative, rolled out across Ontario all at once, would be complex and, I think, fraught with risk.

The other thing we have to recognize is that of those 26,000 physicians, 10,000 of them work in hospitals and solely in hospitals. The bulk of their patient information is on an already-existing hospital information system. Initially, the first wave was on primary care doctors, your

family doctor. This will continue to focus on those and now start the expansion through to specialists.

Mr. David Zimmer: My last point: What kind of buy-in do you get from physicians when you approach them and ask, "Do you want to be a part of this group? Do you want to be a part of the next group on this?" Are they eager to get on board?

Mr. Robert Devitt: Like in any group of people, you have those who are enthusiastic and those who are resistant. In this case, we certainly have heard from the OMA that there is a lot of enthusiasm. I think the first wave of 3,300 has created an appetite for this sort of technology and so has sort of increased the demand. There are others, though—and this is true of any major change—who have worked one way for many years and are comfortable with that way. This is a bit of a change, and they'll be later adopters.

The Vice-Chair (Mr. Ted Arnott): Thank you very much. Ms. Sandals?

Mrs. Liz Sandals: Yes, thank you very much. I must comment that I find it kind of ironic that the Auditor General comments on needing more traffic on the electronic highway—and in particular needing to get physicians on the highway—and we have in the strategic plan and in the 2009 budget the money and the plan to do just that, and now we're having a crisis because there wasn't a media release at the right time. I think this is wonderful news, that we're getting all the docs on and actually taking advantage of the highway.

But what I wanted to ask a bit about was that in this whole discussion, we seem to have gotten into the practice of assuming that if you are a consultant, this is automatically evil. I guess with my particular background, having come out of computing science and software development, I actually find having consultants around perfectly normal. I suspect that at least 50% of the students I would have taught at university either set up their own consulting firms or went to work for a consulting firm. The reason for that is that it's quite normal within computer system development that you don't keep all that expertise in-house, and this would be both in the private sector and public sector. You don't have that expertise in-house because you don't need it. Once the system has been developed, you actually want these people to go away. So that would be my experience in IT. It would also be—I think, all sorts of other things that we don't give a second thought to. Mr. McNeely was here this morning. Mr. McNeely is an engineer and I think spent most of his working life as a consultant. Architects are consultants. Lawyers are consultants. There are all sorts of services which people both publicly and privately contract for that you don't keep on payroll.

So I wonder if we could talk a little bit about—I mean, I can think of ways in which you put the whole project out to contract, or something that I would probably call contractually limited: You just hire somebody for a limited point of time to do a certain sort of work and then they go away again, because you know you only need them for a limited sort of time. I wonder if you could talk

about appropriate and inappropriate use of consultants, because I'm really disturbed by this concept that consulting is bad.

Mr. Robert Devitt: I can start. Absolutely, in a business or an organization like eHealth Ontario, where we're creating new stuff, there is clearly a role for external expertise that comes in in a burst of time to develop something—and you're right: It has a shelf life, a fixed shelf life. Once something is developed and working, you no longer need all of that expertise and you move to a maintenance mode.

One of the things we've been doing at eHealth over the last few months is actually rebalancing the workforce. We will never get to zero consultants, not only on the technical side, but in terms of external legal advice—although we have internal legal expertise on very complex issues, of course you go outside—or external auditing, that sort of thing. We have an internal audit function that we've developed, but we also have external auditors. So there will always be a need.

What we've been doing is readjusting the balance. We believe that the right ratio of what I would call variable workforce, which is really the consultant, to the fixed workforce is about a 15% to 20% variable component and the rest being fixed. The bulk of that variable component is nested in the functions where we're developing new technologies or new systems. Where consultants shouldn't be found is in, as an example, some of the back-office functions—accounting, payroll, finance, human resources, and that sort of thing.

1330

We did have a greater ratio of consultants than, I think—and I think the board believes—would be the norm. In April, we had about 386 consultants out of a workforce of about 950. What is that, about 40%, plus or minus? We will be down to 160 by April 1, and that is that very transition.

I think the real key is affective use of consultants, and consultants, just like employees, need to be managed. We give employees annual performance reviews, we set goals and we set objectives. One needs to do the same with consultants when you do an RFP or an RFS.

There is also a big place for consultants—I mean, the definition can be quite broad, if we think of OntarioMD. Through OntarioMD, a doctor brings in company X's system. Arguably, those are consultants. But again, it's how you procure them that's crucial. It's got to be competitive. It's got to be with a clear scope of service and expected outcomes, and that is the process we have in place now.

Mrs. Liz Sandals: I think what you've described is a process that all sorts of people would go through—either public sector or private sector—and would be quite normal, particularly where you've got major IT products.

Something that Mr. Ferenc mentioned was VOR and I suspect that vendor of record is a particularly governmental sort of way of approaching things. Maybe, Deputy, you would be the appropriate person or you can pass it around—or Mr. McKinley, if he's the one who is

managing it. But this whole notion of vendor of record: You have a competition to do a big piece of work, but then you pull little chunks off it, is the way I would describe it. Could you explain more coherently than I just did vendor of record and how it works, because it's a legitimate procurement but it's very peculiar to government.

Mr. Ron Sapsford: I won't go into the details, but it's a prequalification process—that's the best way I understand it—where you're looking for a particular type of work and draw some dollar-in-scope definitions around it and then qualify a group of vendors. And then once you—

Mrs. Liz Sandals: Is that competitive at that stage, that you have to bid competitively in some way to get on the VOR?

Mr. Ron Sapsford: When you're setting it up at the beginning, yes. It can either be circumscribed by time and/or dollar limits. But at the beginning, when the vendor of record is set up, it works within those parameters. Then, having prequalified, you can subdivide it and parcel it out as the work requires and use that group of people as your competitive procurement—

Mrs. Liz Sandals: But again, those would be consultants, and they could be engineers or they could be meeting planners or they could be IT specialists of some sort or another. But you've got a list that has prequalified and bid, and as you need that service you don't necessarily have to have a new competition, you pull people off the list of people who have competitively prequalified. Is that fair?

Mr. Ron Sapsford: Yes.

Mrs. Liz Sandals: And I'm assuming that some of these people, at least at the Ministry of Health, because you would have been dealing with those government VOR sorts of structures, would originally have been signed on as consultants through a VOR process.

Mr. Ron Sapsford: Correct.

Mrs. Liz Sandals: Thank you.

Mr. Ron Sapsford: John, do you want to add?

Mr. John McKinley: Yes, just to clarify, it still is a competitive process. Even after you've gone through the competition to get on the VOR, the government's rules are that you ask a number of vendors whether they would want to propose to work on a particular project or not. So it still has to go through an open, transparent process to compete for that work.

Mrs. Liz Sandals: Okay. So it's almost like a double competition, then.

Mr. John McKinley: That's right.

Mrs. Liz Sandals: You have to compete once to get on the list and then you have to compete again to get hauled off the list for a particular piece of work.

Mr. John McKinley: That's correct.

Mr. Robert Devitt: What we've been doing at eHealth as we go to procure consulting works on the vendor of record is, we take the prequalified list that was secured competitively, we send what we call an RFS, request for service, out to a number of them and ask them

to submit their proposal, those proposals are evaluated and analyzed against a set of criteria and points are assigned. To watch the whole process, we bring in an independent fairness commissioner to make sure that we're not in any sort of unintended way biasing the outcome or that sort of thing. We rank the proposals based on those criteria, pick the firm with the most points and then get the independent fairness commissioner to write a report confirming that the process was fair, transparent and unbiased.

Mrs. Liz Sandals: There's a lot of accountability built into that VOR process.

Mr. Robert Devitt: Absolutely.

Mrs. Liz Sandals: Thank you very much.

The Vice-Chair (Mr. Ted Arnott): The government side still has about three and a half minutes. Are there any more questions?

Mrs. Liz Sandals: We'll just pass and pick up in the next round.

The Vice-Chair (Mr. Ted Arnott): Thank you very much. I will then turn to the official opposition again—Ms. Elliott.

Mrs. Christine Elliott: I'd like to go back to Mr. Ferenc, if I might, with respect to the questions on the Auditor General's investigation.

As you may know, the Auditor General in previous evidence has indicated that he did experience a problem with respect to getting access to conduct his investigation. He did name several people, you being one of them, as people who he interacted with in terms of getting ready to conduct the audit and so on. Did you receive any instructions from anyone else—Mr. McKinley or Mr. Tessier—with respect to the conduct of the audit?

Mr. Dennis Ferenc: Conduct of the audit? Could you explain that, please?

Mrs. Christine Elliott: Any issues with respect to the audit: the timing of it, the issues around it, any problems with it, anything at all.

Mr. Dennis Ferenc: No. My first involvement with the auditor was on September 4, 2008. I was invited to a meeting with Gail Paech and a representative of the audit team. I was introduced to them. I knew them from previous audits, so I knew some of the team members.

On September 9, one of the team members contacted me and said, "We're ready to go." We started setting up the meetings and we kicked off right away.

If there were issues during the audit in terms of information requests, I had a very good working relationship with the team lead of the audit team, and we were able to work through any issues that came to our attention in terms of an information request that was late or something like that.

Mrs. Christine Elliott: This is a pretty significant issue, as you know, because the Auditor General has indicated that he felt there was some problem with him getting access, that there was some obstruction or concern there, and you're telling us that from your perspective, you didn't really see a problem. Are you

suggesting that somehow the Auditor General was mistaken or not apprehending the situation correctly?

Mr. Dennis Ferenc: No, I'm not. I'm just saying from my perspective, in terms of the information requests, we worked with the audit team. I had an open-door policy with them. If they had any issues or they wanted to come by and talk about anything, I had an open-door policy with them. So from my perspective, in terms of dealing just with the information requests, I don't recall any huge issues coming up in terms of the information.

Mrs. Christine Elliott: Do you have any idea whatsoever why the auditor might have felt that there was a problem?

Mr. Dennis Ferenc: Well, from reading the audit report and things that I've seen in the media and that, it was around the space and in terms of the scope of the audit. But I started providing the information to the audit team right away, because at the first meeting they said that they hadn't worked out the details of the audit's scope and those would be coming later. I continued to provide information as they asked, regardless of a scope issue.

Mrs. Christine Elliott: Space shouldn't have been a problem. Space, presumably, could have been worked out in a short period of time, and the scope is something that you indicated was ongoing. So there's nothing else that you know of.

Mr. Dennis Ferenc: Again, I was dealing specifically with the information requests and none of those other issues, so I can only answer from what I was dealing with, and I didn't see any big issue that was brought forward to me.

1340

Mrs. Christine Elliott: Thank you. Do you have any questions?

Mr. Jerry J. Ouellette: Absolutely. You're saying that space was a problem for the audit, for them to move in and deal with that. Is that what I heard?

Mr. Dennis Ferenc: I beg your pardon?

Mr. Jerry J. Ouellette: You're saying that space to do the audit was a difficulty or a problem that may have caused some—

Mr. Dennis Ferenc: Well, I understand it was an issue. Mr. McKinley had said that there was a meeting that was held in January or February 2009 where that had been raised as a major issue, but what I was doing with the audit team, we never talked about space.

Mr. Jerry J. Ouellette: I would ask the Auditor General: When you're doing audits, is space something that is an issue to you?

Mr. Jim McCarter: Normally when we start an audit, it takes a couple of weeks to get in and get space. I think the issue is we find it much more efficient if we can actually get space on the premises so when we want documents we can walk down the hall and ask for the documents, and we can walk in and talk to somebody. It's really an efficiency issue for us.

Like I said before, typically the Ministry of Health is very good. When we've come in to do an audit, we get in

in a week or two. On this one, it took quite a bit of time to get in. It was more of an efficiency issue: It facilitates our audit if we can get in and get on the premises. I think from their perspective, their sense was until we agree on the scope and the criteria, we want to get that settled before you get in. But for us to be able to nail that down, it just helps us if we have a physical presence there.

Mr. Jerry J. Ouellette: Right. Okay. Thanks, Jim.

To follow up on Mr. Ramsay, the criteria and the boundaries are very much determined by you, and many times, as we've spoken in the past, you were the ones who set the criteria, and sometimes they come forward with some specific aspects that are very helpful. But Mr. McKinley, Gail Paech had been dealing with this issue, and you came in in January, I believe. Correct?

Mr. John McKinley: That's the first time I met the audit staff. I actually started in November.

Mr. Jerry J. Ouellette: Okay, so you started in November, I guess with the break-in period when you're moving into a new position and dealing with all those sorts of things. In January, when you first dealt with the auditor, there would seem to some to be a perceived delay. Sitting on this committee on a regular basis, we normally hear that there are some issues about that. However, to have to go to the deputy minister—who would you have reported this to when it first came forward that the auditor was actually moving forward with an audit in this area? Who would that normally go through in a chain of command?

Mr. John McKinley: I'm confused by your question. I do report to the deputy minister. In my first meeting, as I have said before at this table, the issue of space was not raised with me. The purpose of the meeting—and it was a meeting with the audit staff, the eHealth Ontario staff and the e-health program staff—was a discussion about the scope. We did not talk about space during that meeting.

Mr. Jerry J. Ouellette: That's fine. But as you just said, you report to the deputy.

Mr. John McKinley: That's correct.

Mr. Jerry J. Ouellette: So at that time, in January, would you have reported that to the deputy, that the audit was moving forward?

Mr. John McKinley: The audit had been moving forward for quite some time. We'd been providing information since September, as soon as we started meeting with them.

Mr. Jerry J. Ouellette: But it wasn't until February, when the call through to the deputy, that it actually transpired and moved into place.

Mr. John McKinley: Yes, that was a bit of a surprise to me, to be quite honest.

Mr. Jerry J. Ouellette: Why would that be surprise?

Mr. John McKinley: Because the issue of space did not come up in January.

Mr. Jerry J. Ouellette: But it's more than just space; it's the actual entire audit, I thought, moving forward with having the audit take place.

Mr. John McKinley: No, the audit was under way, and I think that Auditor General did say that the audit

was under way. There was material being shared with them and they were working with the information that we were sharing with them.

Mr. Jerry J. Ouellette: So you're saying that when you read the audit, it talks about the delay that's in place there—that's what we're trying to determine here. It's tough because Gail was in the ADM position at the start. It's tough to try to assess exactly what took place to have the Auditor General contact the deputy and say, "We're coming in. Get out of the way," that sort of thing. What I'm trying to find out here is there appears to be some delay, and I'm trying to determine why and how that delay took place.

You have to realize from our perspective. From the public perspective, this committee deals with the Auditor General's comments. I don't often, nor have I often seen or recall seeing anywhere in them, see mention made of a delay that took place. Yet this particular time there appears to be some delay until the deputy was contacted. What I'm trying to find out here is—you started in November. Normally, when you move into a position you've got a learning curve, you want to make sure that you're doing everything right etc. in the various aspects. But to go to January, from what I understand, and not until February when the Auditor General contacted the deputy to have it move forward—I'm just trying to determine exactly what, where, why and how the delay took place.

Mr. John McKinley: Maybe I can put this in context for you. The eHealth program—the creation of the new agency had been announced. There was a need to create a transition plan so that we could move the resources from the Ministry of Health and the planning and all of the other resources that go along with that over to eHealth Ontario.

In context, to begin with, previously they had consolidated a lot of the people who were working on eHealth projects in the eHealth program. A number of project teams came from across the ministry and were located on the second floor at 1075 Bay, and now there was the issue of how to transition that over to eHealth Ontario. A lot of my focus during that time was meeting with eHealth Ontario staff and their consultants and all of the rest of it to work on how to transition the work over to them, how to get to a memorandum of understanding with the new agency, what their procurement rules would be, what their gating rules would be and what their transfer payment agreement would be as they're going forward to set up the accountability for the new agency as it went forward.

So that was a huge amount of work that was putting information requests into the eHealth program as well. There were questions coming from the auditor, there were questions coming from the transition team, and it was quite clear that the staff were nervous because they had no idea as to what their future was. I just wanted to put it in context that there was an awful lot more going on than just the audit, besides which they were still being expected to deliver on the eHealth agenda. So a number

of things were going on at the same time. That's why I wasn't surprised, in retrospect, that I didn't hear about the space issues until quite a bit later on. There were a lot of other things, high-priority items as well, that were brought to my attention. That was not escalated until later, and as soon as it was escalated it was dealt with. The amount of information that we shared with the auditor was huge in advance of February.

Beyond that, a lot of that information was shared electronically, so it really didn't matter where the auditors were, in addition to which there were a number of requests that had to go to other parts of the ministry where those people had been working before that held onto the reports and the papers and the information that was being asked of the auditor. So I think we did our darndest to get the information to the auditor that he was asking for. We were not obstructing him at all.

Mr. Jerry J. Ouellette: Okay. With the auditor was the space issue, you feel, the key reason for having to make the call to the deputy to initiate and move forward?

Mr. Jim McCarter: Yes. When we start an audit, it's unusual to have to wait more than two or three weeks to basically get space and go in. This went on for two or three months. The issue was, we haven't finalized the criteria objectives, and we did finalize them but it did take us longer, not being on the premises. It is more efficient if we're actually on the premises. We can walk down the hall and we can talk to people. So the fact that this went on—basically I picked up the phone, I went over and met with Ron, and a day later we got a phone call, saying, "We've got your space."

We were notified late December, early January that there was space available. We have a boardroom and it's a good size, with Internet connections and telephones. But then we got the feedback that, "Well, we can't come in right now because we want to get these objectives and the criteria finalized." That was basically the issue, and so what I talked to Ron about was, I basically said, "We have to get in, Ron."

Mr. Jerry J. Ouellette: So was it Mr. McKinley that you were talking to about the objectives and the criteria?

Mr. Jim McCarter: It would have been Mr. McKinley, Mr. Tessier, but not Mr. Sapsford.

Mr. Jerry J. Ouellette: Okay. But when the auditor comes in, normally he establishes what he's looking at and where he's going and he has that right, as he clearly pointed out on several occasions, to step in as he sees fit. Why would it be that you would think that establishing or working on the criteria and taking, according to what I'm just hearing, longer than two or three weeks to make this happen, would take place?

1350

Mr. John McKinley: So let me reiterate. We were providing information to the Auditor General to help him decide on the scope, because his team came in trying to establish the scope. We were trying to be helpful, and trying to get value for the money spent on the audit, and to make sure that he got a good value-for-money audit done. That's all we were trying to do. It is the Auditor

General's purview to decide on the audit in the end, which in this case he did, and we're quite pleased with that.

I think the other thing to note is that the scope of this audit changed halfway through as well, when items came up in the House and this discussion changed to a larger discussion about procurement. That was not part of the first part of the audit. That was added as time went along. Our minister asked the auditor to do so.

So I think these things change, and the process that we went through—well, I would admit wholeheartedly to the committee that we did not do a good job in getting space for the auditor. That was a mistake and will not be repeated. From my perspective, we were not stopping the auditor from doing his job because of the space or the scope issue. The scope issue was entirely in his ballpark. We know that, we understand that and we agree with it.

Mr. Jerry J. Ouellette: Some of my closing questions: We've been tiptoeing around talking about Gail Paech, Sarah Kramer and Alan Hudson quite a bit and trying to find out through you what took place there. Would you feel it appropriate that this committee sit before us so we have the opportunity to talk to those individuals, Deputy?

Mr. Ron Sapsford: Well, the auditor laid out in his report the results of his view. It's not my place in front of this committee to advise you on what parts of it you want to look at in detail.

Mr. Jerry J. Ouellette: That's a good political answer. It's like a hot potato everybody's trying to find out here. So what we effectively have to do is read the e-mails, read the notes on the calendar and then ask you questions about them, because we don't have a clear, direct route to those individuals to find out exactly what they meant or the opportunity there. Quite frankly, as has been occurring, we'll end up asking similar questions in different manners to find out what else may be happening, as was just the case on the delay issue, whether it's space or whether it's the scope of the audit. I'm just trying to get an opinion on how we can proceed in the best way.

Mr. Ron Sapsford: I guess there are certain questions that the ministry can answer and there are certain questions that the ministry cannot answer simply because we don't know.

Mr. Jerry J. Ouellette: It's outside your purview.

Mr. Ron Sapsford: Not only purview but lack of information. In this kind of review of an auditor's report, the ministry clearly is involved, but it's very difficult for ministry staff to speculate on other parts of the report that, frankly, we have no knowledge of.

Mr. Jerry J. Ouellette: It's just difficult and then we keep trying, as I said, questioning the information we have and trying to find out where we are.

Mr. Ron Sapsford: I understand.

Mr. Jerry J. Ouellette: I think those are all my questions for now. I don't know if Ms. Elliott has any further ones.

Mrs. Christine Elliott: Thank you. I'd like to continue with just a few questions for Mr. McKinley, although on a different topic, and that has to do with some of the contracts.

After you became the ADM in November 2008, can you tell me when you became aware that the multi-million dollars with Courtyard Group was being broken down into about 20 separate contracts?

Mr. John McKinley: Those contracts were already let by the time I was there, so I was not aware of them until much later, that they were broken down at that point in time.

Mrs. Christine Elliott: Do you recall approximately when you became aware?

Mr. John McKinley: No, I don't.

Mrs. Christine Elliott: What did you do with that when you found out that they were being let that way? First of all, did you consider that appropriate?

Mr. John McKinley: At the time, we were working within the rules that the government had. They were all competitively procured through an RFS, generally speaking, to fit them into the proposed direction, but the policies and procedures of government have changed and those things will not happen again. It was a procurement strategy that was being used. I wasn't part of the development of that, but it was within the formal rules of the procurement process.

Mrs. Christine Elliott: You say it was within the formal rules of the procurement process—the process that was being followed there?

Mr. John McKinley: When they were issuing RFSs and hiring and breaking it down so they could fit inside the vendor-of-record process, yes.

Mrs. Christine Elliott: So in December 2008, I believe under your watch, Courtyard was given four separate contracts totalling \$2.7 million as opposed to one contract. Was that done under the same rules?

Mr. John McKinley: Yes, that was done—and I believe that others can speak more clearly on that because they were part of the negotiations of those contracts. I wasn't individually in those negotiations, but they were done through RFSs, from my understanding.

Mrs. Christine Elliott: And that was generally accepted across the ministry to be an acceptable practice?

Mr. John McKinley: Yes.

Mrs. Christine Elliott: How did you come to let the contract in that way, into four separate pieces?

Mr. John McKinley: I'd have to defer to Mr. Tessier, actually, on that.

Mrs. Christine Elliott: Mr. Tessier, could you—

Mr. Doug Tessier: I can certainly respond to that. Those would have been four contracts for four different aspects of eHealth; certainly for the drug team and for the diabetes registry and probably the third one I know of would be identity and access. So they're actually three different business deliverables for three different projects. Each would have gone through separate approval and, in fact, I think, on the identity and access side, it was

not just Courtyard; there were other vendors involved on that team as well.

That was technically within the procurement process, to treat those different initiatives as different procurements—potentially not within the spirit and not within the way that it's being applied now within government.

Mrs. Christine Elliott: And that has only recently been changed.

Mr. Doug Tessier: That is recently, yes.

Mrs. Christine Elliott: Okay. At the time when those contracts were being let in those amounts, clearly to either not have to be tendered or to come under the rules with respect to RFPs, was that done deliberately so as to not have to do that? Or wouldn't it otherwise be just too convenient?

Mr. Doug Tessier: That was the procurement strategy that was in place at that time. It was to use the vendor of record, which I think we've established is a good tool if used properly. That was certainly the strategy at that time, to address the projects individually and use that limit and use the VOR for those.

I think, as I've said, today that would probably be looked at differently and they would be lumped together. That certainly was the practice of the day and would have gone through an approval process to let those contracts and award those contracts.

Mrs. Christine Elliott: Was this a formal practice? How did this practice develop?

Mr. Doug Tessier: There is a formal practice of going up and getting authority from the appropriate signing level. For those contracts, it would have been at the ADMs' level. Probably when the contracts were first initiated, that would have been Gail Paech; when they awarded, it would have been ADM McKinley. That certainly would have gone through the appropriate signing authority. I'm not trying to bounce this back to John either, but there is a proper approval around that strategy.

It would probably not be done today, but it was through the proper signing authorities to both issue the procurements under the vendor of records and then to award the successful proponent. Certainly Courtyard was the winner of four of those. There were other firms that got contracts from the eHealth program through that same vendor-of-record approach.

The Vice-Chair (Mr. Ted Arnott): That concludes the time for this round.

Mrs. Christine Elliott: Thank you.

The Vice-Chair (Mr. Ted Arnott): Thank you very much. I'll return again to the New Democrats.

M^{me} France Gélinas: Before I continue with my line of questions, Mr. McKinley, you mentioned that the scope of the auditor's work had changed halfway through, focusing on procurement, because of what had happened in the House, and the minister.

Mr. Auditor, I don't know if you were listening when Mr. McKinley talked about the change of the scope of your audit that would have come in June, after some of the questioning in the House—

Mr. Jim McCarter: Yes, I did catch that comment.

1400

M^{me} France Gélinas: Did the scope of your audit really change?

Mr. Jim McCarter: What I would say is, as we said in the report, the focus of our audit wasn't on procurement; it was on: Did the government get value for money for the \$1 billion that was spent? Having said that, one of our criteria did deal with procurement, and we were doing some procurement work. Having said that, once some of these issues got raised, quite frankly, in the newspaper, especially with respect to eHealth Ontario, we did expand some of the work that we were doing in the procurement area from the work that we had originally anticipated doing. So, we did do a bit of extra work as a result of my discussions with the minister.

M^{me} France Gélinas: So, that needed agreement of a change of scope with, or you just went—

Mr. Jim McCarter: No. Something like that—very often, too, when we're doing an audit, as I said before, we keep our eyes open, and if we see something that we want to follow up on, generally we would follow up on it. Typically, we might make the ministry aware of it, especially if it was a new avenue that we hadn't discussed at all. Anything that we want to follow up on once we're in there, we can follow up. But I think this was something that, with respect to procurement—we increased our sample size, and we'd already done the work with respect to the Smart Systems procurement, but with respect to eHealth Ontario we did do a bit more work than we had originally anticipated.

M^{me} France Gélinas: Mr. McKinley, I tried really hard to listen to the line of questioning from my colleagues here on why there was a delay. What I tried to understand was, it was a heavy agenda, it was a short period of time, you had nervous staff, lots to do and lots of requests. Although this was an important one, it didn't percolate up because there were so many other important ones that were being raised. Am I close to what you were trying to say?

Mr. John McKinley: Pretty close, yes.

M^{me} France Gélinas: Pretty close. Looking back, had you taken more time to do the transition, do it in 18 months, could this have changed everything?

Mr. John McKinley: Could it have changed everything? Yes, it definitely would have changed everything. Whether it would have had a positive impact on the staff's ability to answer questions and things like that, I don't know. I think we did a fairly decent job on that front. I think the space issue is an entirely separate issue.

M^{me} France Gélinas: What I get is, the auditor was trying to get in that nobody flagged it to you because they were coming to you with 100 other flags because things were really hectic. That leads me to wonder how many other important flags didn't get to you because of what was going on. The auditor wanting to come into an agency and getting frustrated, in most other situations would have come to you pretty quickly. This time, it didn't, and now we have this. We have lines in a report,

we have lines of questioning. It was, I would say, the intense environment of transition that led to this flag not being picked up.

Mr. John McKinley: I'm sure it was part of it, yes, but it doesn't necessarily mean—20/20 hindsight, once again—

M^{me} France Gélinas: It makes things easier, eh?

Mr. John McKinley: Yeah.

M^{me} France Gélinas: Sorry. Go ahead.

Mr. John McKinley: I wasn't aware of this problem. I was actually under the misassumption that the audit staff were on-site already.

M^{me} France Gélinas: All right. Coming back to my line of questioning, which had to do with the \$236 million, I've got a pretty good idea as to what happened in the communication chain of events. I now want to have a better idea as to what happened to the approval chain of events for the \$236 million. Who approved this—as in, was it cabinet, Management Board, the minister's office, you, Mr. Sapsford? This is a big chunk of change here we're talking about. This is a project that would have required extreme time, energy, effort and everything else that you can throw in. To me, this was huge. OMA is actually on board for the next phase of eHealth, \$236 million: What's the chain of command to approve that amount?

Mr. Ron Sapsford: It would have been approved with ministry estimates last year—two things: it would have had the discrete approval of treasury board. I think I talked before about taking to the government the overall strategic plan for eHealth. That would have included these elements in it as part of that decision-making process. With that discrete approval on the overall strategy and implementation, it would have been incorporated into ministry expenditures as part of the budgeting process.

M^{me} France Gélinas: Did you sign off on that deal?

Mr. Ron Sapsford: No. The approval of the government to make the expenditure for that purpose was part of the arrangement and the flow of funds that would then transpire between the ministry and eHealth Ontario. EHealth Ontario, as the agency board, was responsible for the negotiation of specific details with OntarioMD according to that agreement. So the ministry's responsibility was to flow the funds to our agent, who was then responsible for the implementation of the program. But the overall expenditure and the application of the fund was part of the government's approval of (a) the strategy, and then (b) the annual budget.

M^{me} France Gélinas: There are a couple of e-mails there from Ms. Kramer and Dr. Hudson. It has a big "A" on the top. Basically, it's called "First Few Days," and it's an exchange of e-mails between Ms. Kramer and Dr. Hudson about her first few days. In some of the comments she makes on it, she says, "There is a nod to getting my 'blessing' on certain large items (like the IBM contract and the MB20 going forward to Management Board ...)" What does MB20 mean?

Mr. Ron Sapsford: It's a Management Board—I'm not sure what the 20 means. It's a process of approval that ministries use, or a documentation to go forward to Management Board, treasury board and/or cabinet.

M^{me} France Gélinas: Then she continues in her e-mail: "But there are other items that need attention." From this, it's two, actually; the e-mail starts two days and then by the time of the exchange it's three days after. She talks about the IBM deal. That means that this deal had already been in negotiation before she was there because she talks about it already. Who led the charge for the IBM contract before she was there?

Mr. Ron Sapsford: It would have been the eHealth program at that time.

Mr. Doug Tessier: It was certainly the eHealth program. It was actually an MB20 that went in August, which actually approved the IBM deal. In August 2008 it went forward, and approved that deal in August 2008. That was when Gail Paech was leading the eHealth program, and she certainly did make that submission to Management Board. It was approved. But because in the transition this contract would be inherited and transferred to eHealth Ontario, before it was actually signed with IBM there was a process to make sure that eHealth Ontario and Sarah Kramer in particular were aware of the terms of the master services agreement of that deal, and there were certainly meetings and discussions and shared information. In fact, eHealth Ontario did have both their legal counsel and an independent legal counsel review that as well at that time.

M^{me} France Gélinas: And that was during the time that Ms. Kramer was there.

Mr. Doug Tessier: She was at eHealth Ontario at that time, yes.

M^{me} France Gélinas: In the e-mail—it goes back and forth between her and Dr. Hudson—she's talking about her speech, she's preparing her speech at OHA and then she says, "Make sure that the minister and the Premier, etc. have it"—a copy of the speech. She responds, "We'll send to the MO and the PO. Sacha was there and I think loved it." Who is Sacha?

1410

Mr. Ron Sapsford: I can speculate on who that might be. It would be Sacha Bhatia in the Premier's office.

M^{me} France Gélinas: Okay. Then she goes on and she says—

Mr. Ron Sapsford: I'm sorry; I don't know where you're reading from.

M^{me} France Gélinas: It says three of five right at the beginning of the one that has an A. You'll see "My address at the OHA was well-attended, and I think"—

Mr. Ron Sapsford: Yes, thank you. I have it.

M^{me} France Gélinas: You've got it? All right.

She also talks about having meetings lined up with Dermot Muir and Tony Day of Infrastructure Ontario. What was the dealing between Infrastructure Ontario and eHealth?

Mr. Doug Tessier: I can certainly answer that as well. In the governance model for eHealth and the single-

accountability model, Infrastructure Ontario is a partner with eHealth Ontario because of their procurement expertise and their alternate funding model.

That has gone forward so far. In fact, we're partnered with them on the diabetes registry, and I believe that those two individuals were in opening discussions with Sarah and other people from eHealth Ontario on how that relationship would develop and what the roles and responsibilities would be, as well as what procurements were coming that were of a sufficient size and complexity that Infrastructure Ontario would want to get involved.

M^{me} France G  linas: Okay, so for now, it was for their procurement expertise. What did Infrastructure Ontario have to do with the diabetes registry?

Mr. Doug Tessier: Infrastructure Ontario, because they do very large procurements for nuclear plants, hospital capital—\$100-million deals that are very complex and happen over a long period of time—they have specific expertise in the negotiation and management of those deals.

In the governance model, Infrastructure Ontario was identified as a potential partner in the eHealth area because the contracts are getting larger and larger and more complex. This is not a small deal like a six-month project; it's something large like the diabetes registry, from an integrated perspective, and certainly like a provincial drug system, so things that are in the \$150-million range. We are partnered with Infrastructure Ontario to get their expertise on that.

In fact, they not only run the procurements on our behalf with our partnership, but they also implement their alternative funding model. Basically, to explain that simply, it holds the vendors accountable to deliver the product completely and to have it working before they get paid, as opposed to paying them upfront and then finding out later that things aren't going to work.

M^{me} France G  linas: And they have done this for eHealth?

Mr. Doug Tessier: They're doing it right now.

M^{me} France G  linas: They're doing it right now.

Mr. Doug Tessier: And the diabetes registry is the first project. It's not quite as big as \$150 million; it's significantly smaller, but it is a large integration play that does involve the alternate funding model and the vendor operating the system for a period of time and getting paid upon substantive completion and evidence that the system actually works.

M^{me} France G  linas: Very good. I'm now on the thing that has a big B at the top. We're now on e-mail that goes from November 14 to November 25. Ms. Kramer asked Dr. Hudson if Dr. Hudson is "at health results today," as she wants to send him a couple of points on eHealth. What does she mean by being "at health results today"? What's that?

Mr. Ron Sapsford: Health results would be a meeting where we would monitor progress on a number of files—priorities of the government.

M^{me} France G  linas: It's the one right at the bottom. She says, "Are you at health results today?"

Mr. Ron Sapsford: Yes.

M^{me} France G  linas: You know where I am? Who would attend a health results meeting? What are those? Who attended that one?

Mr. Ron Sapsford: That one I'm not sure. It was set up for meeting between ministry staff, the minister, the minister's staff and the Premier as well as some of the external leads to very specific projects.

M^{me} France G  linas: Okay. Dr. Hudson replies, "Went well. Premier totally on our side." So it would appear that there was a conversation between Dr. Hudson and the Premier on eHealth and that the Premier was unequivocally in support of Kramer and Hudson. Were any of you at that meeting?

Mr. Ron Sapsford: I think I've been at almost all health results meetings, yes.

M^{me} France G  linas: Do you remember the Premier being, as Dr. Hudson says, "totally on our side"?

Mr. Ron Sapsford: That his characterization. I don't remember if eHealth was specifically on the agenda or whether this refers to something in the meeting or off to the side. I really, honestly don't know what the reference is for. If I look at that time, November 24, this would be shortly after the initiation of the agency. The agency was moving forward with the adoption of the strategic plan, which my colleagues brought with you today. At that particular point in time, there was strong support for the creation of the agency and moving the agenda forward. That's as much as I could add, because I don't really understand what the specific reference is about.

M^{me} France G  linas: Okay, so you don't remember if eHealth was on the agenda, if it was discussed, if Mrs. Kramer's position or—

Mr. Ron Sapsford: Certainly, not, no. There would have been no discussion whatsoever of that.

M^{me} France G  linas: Are there agendas for those meetings?

Mr. Ron Sapsford: Yes, often, yes.

M^{me} France G  linas: Can you share the agenda with us?

Mr. Ron Sapsford: For that day?

M^{me} France G  linas: For that day.

Mr. Ron Sapsford: I'll check to see, yes.

M^{me} France G  linas: Okay. You'll check to see if there's an agenda or check to see if you can share?

Mr. Ron Sapsford: Both.

M^{me} France G  linas: All right. If it's yes for both, then you'll send it on?

Mr. Ron Sapsford: Yes.

M^{me} France G  linas: And if it's no for any one of the above, let us know which one it is.

Mr. Ron Sapsford: Yes.

M^{me} France G  linas: Okay, thank you. The other question has to do with freedom-of-information requests and a whole bunch of lobbyists in meetings in the Premier's office. From May 5 to August 25 of this year, 2009, David MacNaughton, a lobbyist with Accenture,

had a meeting with Jamison Steeve, the principal secretary in the Premier's office. Did anyone here speak to Mr. Steeve or anyone in the Premier's office with regard to those meetings? I get a whole bunch of movements of the head all in the same direction. I take it that means no.

Ms. Rita Burak: We have no knowledge of the meetings that you're speaking about. There's no reference to this in the Auditor General's report. I have no idea.

M^{me} France Gélinas: So nobody knows. There have been many, many lobbyists going to the Premier's office and people who work in eHealth going to the Premier's office. Have any of those lobbyists come to eHealth this summer or since?

Ms. Rita Burak: I have never met with a lobbyist since I've been appointed. I think, Rob, you can say the same thing.

Mr. Robert Devitt: I've never met or even talked on the phone with a lobbyist.

M^{me} France Gélinas: Okay, very good. Well, you're one of the few.

Mr. Robert Devitt: I've got too much work to do, to be quite honest.

The Vice-Chair (Mr. Ted Arnott): Thank you very much. That concludes the time that you have for this round and I'll turn to the government members. I have an indication from two members. Who would like to go first? Mrs. Van Bommel.

1420

Mrs. Maria Van Bommel: It won't take me as long. My question is more for the Auditor General. We've been hearing a lot about the space that's required, that you were doing some of this off-site and then on. From my experience in business—I've been subject to occasional random audits myself, and for us it meant either finding room on the dining room table or an office maybe at our accountant's, and it entailed having one person come. We were told what years we were going to be dealing with. We pulled out the boxes and records, and the auditor went to work.

When you do an audit—and we talk about space being available—how many people are there and what kinds of things are expected? When you talk about scope, what do you mean by scope of the audit?

Mr. Jim McCarter: The number of people in an audit would vary. It could vary from one person on a small financial job to, on some of our bigger jobs, five or six people in the field.

When we talk about scope, typically it would be the extent of how much work we do on a particular program. We probably spend as much or more time doing what I call the criteria: What are we going to use to benchmark the agency against? Again, it's just more efficient for us if we can get in and we can, as I said, walk down the hall and talk to people.

Often, when we ask for records, we don't know the name of the record, so we need to—if we send an e-mail and we don't know the name of the record, they might

say, "We don't have that," but if we can go in and say, "What kind of business plans do you have?" it's just more efficient for us to basically get in and do the work on-site.

Mrs. Maria Van Bommel: How many people go in at a time, then?

Mr. Jim McCarter: It depends on the size of the audit. It would be anywhere from one person on a small agency; at the Ontario Racing Commission, we might have one or two people. On a big value-for-money audit on a big program, we could have five or six people, especially initially, before we start to go out to the regions. Then we might have two people going to one region, two people going to another region. It would definitely vary depending on the audit.

I think on this one we probably had, toward the end of the audit, one or two people. At the beginning of the audit, we could have had four or five people. It does take some space. Typically, we often get a meeting room or we'll get two or three cubicles where we can put our staff.

Mrs. Maria Van Bommel: Do you let them know in advance? You started initially off-site. Did you let them know what kinds of records you wanted initially to start the audit with, or—

Mr. Jim McCarter: Yes, we would basically say, "These are some of the things that we would like," and then as we get more records or as we—especially as we talk to people. People will say, "We prepare this" or "We do that" or "We have this type of report." Often, when we talk to people, we'll say, "Could we get a copy of that?" or "How do you track this?" And they'll say, "Come on over to the filing cabinet; we'll show you where we keep this sort of stuff." That would be generally how we would do it.

Mrs. Maria Van Bommel: There was a discussion about a disagreement—maybe; I don't know—about the scope. What would be the scope? What do you mean by "scope"?

Mr. Jim McCarter: On this particular audit, we wanted to specifically focus on more of the electronic health records as opposed to the whole eHealth agenda. The ministry was saying, from their perspective, we'd maybe get more value for the money if we focused on the whole eHealth agenda.

We also look at how many resources we have available to put in a particular job, given that we have to get our stuff done in time for the annual report. So we would take all that into consideration in deciding the scope of the audit.

Sometimes, they might say, "Internal audit has done some work; can you rely on internal audit?" So we have to look at the internal audit work papers. It would be normal for us to have those sorts of discussions on the scope and criteria, but as I said a couple of weeks ago, at the end of the day, it's our decision. But we're reasonable; we listen to what they have to say.

Mrs. Maria Van Bommel: Thank you. I just keep hearing about it and I'm trying to envision what all of that entails.

The Vice-Chair (Mr. Ted Arnott): Thank you. Mr. Delaney.

Mr. Bob Delaney: Thank you. Going back to a comment you made, I think, in the last round—I think it was this gentleman here who talked about “creating new stuff.” I'm interested in looking at a software development project in which you would have good work that would, over time, morph into a set of principles that would then be called best practices. When their adoption approaches universality, they become standards. Looking at that continuum, can you tell me some of the hurdles that you're trying to climb in creating new stuff in which the process of working to a standard is itself a bit of an elusive goal?

Mr. Robert Devitt: Sure. I can start and Doug may be able to add more.

I think one of the key challenges, in terms of trying to pursue to a standard, is that across the health care system, individual provider practice varies so that, in fact, there is not a standard. Part of the whole process of moving some of these initiatives forward is getting the field to agree on what the standard is.

If I use a lab as an example, one can't just create a lab system, run a bunch of tests through it and turn it on because what one hospital or what one group of providers will see as a normal range versus an abnormal range on a test will be different from what a group in another community sees. There's minor variation, nuances in definition. So from the very beginning, one of the key challenges is getting a very diverse set of health care providers—and it's not just physicians; it could be physicians; it could be nurses; it could be respiratory techs, depending on the applications; pharmacists—to agree on commonality of standards, so when we talk about something we all mean the same thing. That is a real dilemma and a challenge. The way we usually do this stuff is we start with proof of concept in one place, show that it can work—and we actually have processes and people who try to engage clinicians to get them to define what the standard is. If a guy like me—I don't have a clinical background—came out and said that the new standard for an abnormal sodium test is X, eHealth Ontario says so, you can imagine the reaction from the field in terms of what do I know etc. There really is a complex process to get to that standard.

I don't know, Doug, if—

Mr. Doug Tessier: What I would add to that is that part of the challenge is that there are numerous hospitals—take the Toronto Central LHIN, which we're sitting in right now. I think there are approximately 26 hospital corporations. They have made an enormous investment in eHealth and hospital systems already, and they have both different systems and technology, but they also have different businesses processes.

One of the examples that has been provided to me by health care providers is how some of the hospitals use a

pain scale that goes from 1 to 5; some of them use a pain scale that goes from 1 to 10. If you're a number five, it really matters which scale you're being measured on to know how serious you think your problem is.

There are issues of technology, there are issues of data and, as well, business processes that make this quite challenging. Part of that challenge is people are out the gate, they're doing things, and I think the other challenge I would describe is that we have very different models from large, urban settings, like we're in now, to rural places in northern Ontario where I'm from, where it's an hour-and-a-half drive to the radiologist, for example. So there are different business models, different technologies and a lot of things on the ground right now, but we are working, and one of the advantages now is that in our strategy that's been approved, there is the ability to just set a standard and get out of the way.

One of the areas that would be really important which family physicians have been after for many years is hospital discharge summary. When my patient comes out of the hospital, I want to know what happened to them; what their status is and what action I need to take. We're actually not delivering a system for that, but eHealth Ontario has worked with the broader health sector to identify a standard for that messaging and information, and then everyone is running with it. There are now about 10 examples of projects in the province that are running with that standard, and we don't have much to do with the project at all—we're not funding it. But they are using the standard, and that's a big part of the future.

Mr. Bob Delaney: To take your example, then, if you're looking at a pain range either on a base-5 or a base-10, would a 4 out of 5 be a 7, 8 or a 9 if based on 10? Looking at that type of challenge, when you're assembling the specs for a project, presumably prior to the analysts doing the design and certainly before the programmers write the actual code, what kind of up-front work have you typically been doing? Perhaps you could give me an example.

1430

Mr. Doug Tessier: So eHealth Ontario's activity—and not just our activity but across Canada—is architecture-based. We've worked really closely with groups like Canada Health Infoway, first, to establish a blueprint and architecture for eHealth in Ontario and Canada. Our blueprint, by the way, is not exactly the same as Canada Health Infoway's, but it's consistent. We talked to them about the changes and differences. We drive that from an architecture perspective, then we work with stakeholders to determine the requirements. A perfect example of that would be on the diabetes registry, where there is a diabetes expert panel which has, I think, up to 60 clinicians of various types—physicians, nurse practitioners, specialists, dietitians—who actually say what is it we want to do with this system, because it's not about the technology; it's about what you do from a health care perspective to look at that system. So that expert panel actually advises our system's architects and designers as they look at the type of product that we're

going to primarily purchase, because we actually buy most of our products and customize them for Ontario. We don't start from scratch.

Those are the kinds of things we do with both clinical and the broader health sector, and of course from a standards perspective we do have to fit into the pan-Canadian perspective and some Ontario government standards. So it's quite an extensive process as we take these products forward.

Mr. Bob Delaney: If I were to ask you a question that made the assumption that I had some knowledge of systems design and ask you to give me a quick encapsulation of the architecture and the platform on which eHealth will run, how would you answer that?

Mr. Doug Tessier: That would be a long discussion, but I think in a nutshell it's based on foundation elements and integration. So we're not selling one system or purchasing one system for an electronic health record. It's built on a foundation of centralized systems for key elements, like labs and drugs and diagnostic imaging, where there's a value in having them centrally, and then an integration of systems and information that already exist out there. For example, physician office systems have to be done in a standard perspective and meet a specification. The reason they have to do that is so that we can integrate them as we go forward.

That's really the basis for our architecture. It's the basis for the architecture in Denmark, Great Britain, the United States or anywhere else. It would be nice if we could tell everyone to stop and use the same tool. We can't do that, so it is about integrating systems and information.

Mr. Bob Delaney: I think the expression I remember being taught goes, "The perfect is the enemy of the good."

To look at one of the reports here, I have a couple of questions on some very specific things. I want to ask you a little question about the data centre. Could you describe for me, please, with regard to the data centre, which it says here "consists of space leased from Hewlett Packard. The lease expires in fiscal year 2011-2012"—is there just the one data centre at the moment?

Mr. Doug Tessier: In fact, there are two centres eHealth Ontario operates. One is in Markham and one is in Mississauga. They're on a complete failover. I think it's described as a tier 3 data centre situation. So from a power and an application perspective, every application that we host—again, for example, the diabetes registry, when completed, will be in one of those data centres, and we'll have a complete failover to the other data centre. A very similar model to the banks or any other industry that's running real time—certainly, in a clinical application, you're talking about high performance and high availability.

So there are two data centres in place, and in our data centres there is actually an eHealth location where we manage all the applications and services in there. They are co-located with Hewlett Packard's space and, in some cases, applications are actually hosted in the Hewlett

Packard space under a managed service agreement, and that's simply a space and staffing perspective as we move forward. But they're all operated to the same technical delivery standards regardless of the space.

Mr. Bob Delaney: Is there, in fact, redundancy in each of the two data centres?

Mr. Doug Tessier: In fact, there's redundancy between the two data centres, is the model that it works on.

Mr. Bob Delaney: Between but not within?

Mr. Doug Tessier: Not within, no. The failover is to the other data centre. I have to apologize. I used to be a techie. I've been out of that game for a while, so we haven't actually got the operations experts from eHealth Ontario here.

Mr. Robert Devitt: I can also say, because we've just done this in the last 10 days, we actually test the redundancy. We let one go down so we can make sure the other actually kicks in, just like a hospital tests its backup power generator.

Mr. Bob Delaney: Okay. How am I doing on time, Chair? What have I got?

The Vice-Chair (Mr. Ted Arnott): You have a few more minutes; about five.

Mr. Bob Delaney: Okay. I think we can cover a few topics in that time.

Looking at deployment of the applications, if, as and when they're deployed—I've looked at the various Gantt charts, and I'd like to ask you about both the alpha and beta testing process. How are you doing your in-house tests and how are you doing your tests among specific beta groups?

Mr. Doug Tessier: We have a series of tests that goes on for all of our applications, and, by the way, we have numerous applications in place now. I don't have the process that we go through exactly for those; I think we could provide that to you. But it certainly involves testing by the developer; if that's us, then we do the development testing. It may be an external vendor. Then there is user-acceptance testing, which involves—in the case of diabetes, the diabetes clinician is actually sitting down and looking at that and testing from a user perspective, both for performance and usability, and we do compensate the clinicians for doing that.

Then, as we move into production, we have, I believe, a 20-day period where things must operate in a pre-production state, in a flawless mode, and we deal with either the vendor or our development team before it actually gets into our secure production environment. My best offer would be that we could certainly submit that material to the committee if it's needed.

Mr. Bob Delaney: Okay. A closely allied question would be on training and documentation. To what degree, as the development process comes together, is documentation developed? How does this translate through to end-user training? Would you describe for me how broad the scope is of the testing—the beta testing, particularly—that you've just described?

Mr. Doug Tessier: Certainly, from an adoption perspective, we have two approaches to that. One of those is done within each initiative. For example, if we're doing diabetes, there's adoption training that's done, working with the clinicians. It's actually driven out of the expert panel identifying and working with both our and the ministry teams around the adoption of that particular project. We also have a specific area called implementation and adoption, which looks at the fact that people don't just use the diabetes registry; they use some of our other products and services. So they look at that implementation and adoption and training from a specific integration level across our initiatives. Where we've got someone like OntarioMD, which is one of our delivery partners, they have a large role to play and operate implementation and adoption programs in conjunction with our team, but they actually deal directly with the physicians. The physicians like that arrangement of an OMA subsidy as opposed to the agency on some fronts, so we certainly do that.

From a beta testing perspective, as Mr. Devitt identified, we do like to take the small-step approach and do our demonstration projects. For example, on drugs we've gone through the testing of that, including acceptance testing, and then put them into demonstration mode, which some people would call beta. They're in a limited number of sites with a limited number of providers. It does have to be a critical mass. In the case of drugs, that was 70 providers who were prescribing information and approximately 50 pharmacists—so, not small, but those two demonstration sites I would categorize as betas as we look at what we're going to do as we move forward. It certainly involves an extensive evaluation component. We're now looking at the drugs, for example, and looking at the evaluation results of that to determine how it fits our provincial model.

Mr. Bob Delaney: As a particular application—let's focus on the one you were just talking about—moves through the development process, describe to me the data conversion process: what formats you may be using, what legacy data you are inheriting, to what degree you are either re-keying or having to scan image or text, and the conversion from what type of formats you would be dealing with.

Mr. Doug Tessier: Currently, in many of our applications there's not a conversion process. For example, when a physician implements an EMR system, they have a personal business decision to make as to whether they want to go back and incorporate all their electronic records from the past, and that certainly could involve scanning that information in or re-keying it. That's a local business decision.

As we're implementing most of our larger solutions, they actually start from an integration perspective and pull information together. It does not often involve a huge data conversion. In the future, as we start to integrate things like hospital lab systems, there will have to be a decision made, either locally or in conjunction with us, about how there is going to be some conversion. It

certainly doesn't apply to all lab tests. Some of them aren't relevant from the past; you're going to have to do them again anyway. But there are certainly cases where you'll want to do those and maintain a history and a trend.

1440

There will be a data conversion process. It is standards-driven, so for example, from the lab perspective, we mostly use the LOINC coding system as we go forward, and will use it in the future. And that may mean some conversion process.

Part of what our implementation and adoption team will do is look at some of those data conversion issues, because we may have to get either more of our team involved or some external clinical expertise to help us with that. An example of clinical expertise to help us may be a hospital records group from one place. We may have to put a team together to help with some coding around some of that conversion.

The pain scale is a simple example. At some point, if we decide it's going to be a one-to-10 scale, we may want to go back and say, "How do we calibrate that across the two areas?" You can often do that with an automated tool, but there are also some cases where someone actually has to look at the data and make a decision and a judgment on that conversion.

As we integrate things, we are getting into that business model.

Mr. Bob Delaney: Are you advocating—

The Vice-Chair (Mr. Ted Arnott): Thank you.

Mr. Bob Delaney: Am I out of time?

The Vice-Chair (Mr. Ted Arnott): That concludes the time.

What I would like to do is give each caucus an additional three minutes to ask perhaps one or two last quick questions if we could, but we have to reserve time to deal with Ms. Sandals's motion at the end of the meeting.

I'll turn now to the official opposition. Again, about three minutes for your questions and answers.

Mrs. Christine Elliott: Given the time left, I would like to just ask Ms. Burak a question or two, if I might. On page 12 of the Auditor General's report, he describes a situation where, despite the appearance of competitive tendering, senior management already knew who they wanted the contract to go to. He describes how the consultant submitted a bid of \$3.1 million, well above the project's budget of \$700,000. The same consultant was asked to resubmit their bid, which they did, at \$737,000. Not surprisingly, their bid won. Doesn't this essentially amount to bid-rigging, in your view?

Ms. Rita Burak: Sorry?

Mrs. Christine Elliott: Bid-rigging.

Ms. Rita Burak: I suppose that, strictly speaking, the technical definition of bid-rigging would be a number of suppliers rigging a price. The totally unacceptable practice laid out on page 12 is absolutely wrong. I don't know that I would characterize it as bid-rigging, but certainly it's a very inappropriate procurement practice.

Mrs. Christine Elliott: Have you reported this as a concern to the OPP, or do you intend to?

Ms. Rita Burak: In fact, we did seek external legal advice regarding a number of elements contained in the auditor's report to determine whether that step, or any other further step, should be taken. I can tell you that the legal advice that we received indicated that while inappropriate practices took place, in terms of absolute legal or criminal activity or activity that should be turned over to the OPP, no, there was not a sufficient case to do so.

Mrs. Christine Elliott: Are you in a position to be able to provide us with a copy of that opinion?

Ms. Rita Burak: I would undertake to provide a copy of that, yes.

Mrs. Christine Elliott: All right. Thank you very much.

The Vice-Chair (Mr. Ted Arnott): I'll turn now to the New Democrats. Ms. Gélinas.

M^{me} France Gélinas: I'm back with the good-news contract with the OMA and OntarioMD. I'm reading from this little "C" thing. We're now on November 17, 2008, at 5:29 p.m. They're basically making a summary of how poorly it went at OMA negotiations. It goes:

"OMA board is split in terms of support for OntarioMD.... OMA took the position ... that e-health was a burden on physicians and a downloading of costs to keep it going.

"The government was prepared during negotiations to give over the whole \$286 million to OntarioMD ... with criteria which included: the \$286 million be included as part of the ... agreement funding.... ; that there be a more independent board of OntarioMD with independent appointees, thus ensuring an independent relationship from OMA; that they submit to regular audits.... ; that there be a requirement for open procurement in partnership with the ministry...." But then, "OMA was so negative about the whole thing that Hugh took it all off the table."

July 2009 rolls around and we now sign a deal for the exact same work for \$236 million. Can you reassure me that some of the accountability, the reporting that was initially on the table are going to be in there?

Mr. Doug Tessier: I can't comment too much on the material here because I think some of it's speculation, but in the new agreement with the Ontario Medical Association, all of the controls that were identified here and many more are in place. For example, all of the funds don't flow to the OMA; it is performance-driven. That's one element of this: the fact that the physicians have to actually use the systems and not just get the money for them, and that we count the number of patients. Certainly, I can guarantee that this is a very good deal for the Ministry of Health; it's actually a very good deal for the people of Ontario and for the Ontario Medical Association as well.

M^{me} France Gélinas: But now we all know that Ontarians don't need any good news on eHealth so we

keep them secret, but I already asked my question on that part.

The Vice-Chair (Mr. Ted Arnott): I'll now turn to the government side again.

Mr. David Zimmer: We'd like to pass.

Mr. Robert Devitt: Just to be clear, eHealth Ontario has issued a backgrounder on this; eHealth Ontario and the OMA have talked to the doctors; we have talked to the vendors. So I think the characterization that it's a secret is not certainly what we've been doing at eHealth Ontario. The decision on when announcements of funding are done and whether you announce the big bundle, the \$2.2 billion, that started eHealth, or each and every single tranche within that would be a ministry decision. Certainly on this one, we have been transparent with the field and the vendors and have released material as well.

M^{me} France Gélinas: I agree that it was the ministry's decision; I just think that it was a bad one.

The Vice-Chair (Mr. Ted Arnott): Now I'll turn to the government side. Ms. Sandals?

Mrs. Liz Sandals: We will pass and move on with the motion, if I may.

I move that the Standing Committee on Public Accounts recognizes that in conducting the audit requested by the committee on October 21, 2009, the Auditor General has the discretion to determine the approach and timing of conducting such audits and, in particular, may, at his discretion, report the results of his audit in his annual report.

Let me give you a little bit of background on this, if I may. When the public accounts committee or a minister or the Premier asks for an audit, it is by definition a special audit, and I think there is some implication that when any of those three bodies request a special audit, it takes priority over other work.

The Vice-Chair (Mr. Ted Arnott): Ms. Sandals, can I interrupt?

I just want to thank the staff of the public service who have been here today to provide testimony. You don't have to stay any longer today.

Mrs. Liz Sandals: We're going to talk amongst ourselves.

The Vice-Chair (Mr. Ted Arnott): Mr. Ouellette?

Mr. Jerry J. Ouellette: There were a number of questions on the follow-up questions from the stuff that came forward that I would have from some of the individuals there afterwards—at a later date, obviously.

The Vice-Chair (Mr. Ted Arnott): Thank you, Mr. Ouellette. I appreciate that.

I return to Ms. Sandals.

Mrs. Liz Sandals: There's an implication that because it's a special audit, it should take priority, and I understand from some of the auditor's comments that in this case it's a fairly large piece of work. It probably is displacing other chapters from the annual report, potentially—other work that he would do. But the fact that a special audit tends to come to the front of the line and that this special audit, by definition, because we asked for it, is going to involve the Ministry of Health,

it's going to involve hospitals all around the province, it's going to involve LHINs all around the province, and coincidentally, we have going on at the same time an H1N1 epidemic, pandemic—I don't know what the legal label is on this—but clearly we have a significant health problem.

I think we've heard in the testimony this afternoon that having the auditor move in can be, at best, somewhat distracting. It just seems to us that while we're not saying, "Don't do the work, Auditor," and in fact we recognize it's the auditor who ultimately will choose, we would like to make it clear to the auditor that it is not necessary to rush out and do this at the same time that the health system is dealing with H1N1. The Ministry of Health needs to be thinking about how they respond as opposed to sitting here. The hospitals need to be thinking about how they respond—and citing the hospitals is not a moot point. I know that the data in my hospital is that emergency room visits have gone up 50% in the last week, and I take it that that's not unusual around the province. We also don't know when this is going to level out. This is probably still on the upswing in terms of the number of people who are ill—not necessarily fatally or critically ill, but sufficiently ill that they will require medical attention.

It seems to me that to make it clear that the auditor doesn't necessarily have to go in, but could do this work in a little bit less urgent manner, it would be useful for the committee to put that on the record. Because quite frankly, listening to people's questions in the House about, "Are you on this? Are you taking care of this? Are all hands on deck? Is everybody paying attention to H1N1?" we can't then turn around and say, "Oh, go think about something the public accounts committee thinks you should do."

This is simply noting for the auditor who will ultimately make up his own mind, hence the note of discretion, that it would be acceptable to include the work in the annual report.

The Vice-Chair (Mr. Ted Arnott): Thank you. Madame Gélinas.

M^{me} France Gélinas: I just want to check with you, Mr. Auditor: Whether we pass this motion or not, do you feel that you have the discretion to determine the approach and the timing of conducting that audit?

Mr. Jim McCarter: I regard a motion by the public accounts committee as probably top of the list as far as something that I have to do. I still feel that I do have the discretion with respect to the timing and how many hospitals I visit, but having said that, it would be considered a priority by our office, if I could answer it that way.

M^{me} France Gélinas: Okay. The second one is, whether we pass this motion or not, do you feel that you have the discretion to report on that particular piece we have asked you—I thought we had made it clear that you would report as soon as the work was done. That could include how if the work wasn't done any sooner than any other audit, it could be included in your next report, but it

may very well have included a special report. Whether we pass this motion or not, does that change anything?

Mr. Jim McCarter: My interpretation of the original motion would be that we regard this as—it's significant enough to pass a motion; "We'd like you to get it done as quickly possible." Historically, I think we have always tabled that as a special report, which means we've tabled on completion in the Legislature.

I think my interpretation of this motion, if this motion was passed, would probably be that the committee is still saying, "Auditor, we still want you to do the work, but if it turns out because of the other factors out there that you don't get it done quite as quickly as possible and it ends up going in your annual report next December, that would be acceptable to the committee, but it's your call." Does that answer your—

M^{me} France Gélinas: That does. Then, having listened to you, Liz, with both my ears, would it be okay if we said, "the Standing Committee on Public Accounts recognizes that in conducting the audit requested by the committee on October 21, 2009"—I don't know where to add it, but I want to add, "if you come across resistance because they're too busy with H1N1, we recognize that the pandemic takes precedence over the wish of the committee"—which is basically what you said in your verbal, but this is not what it says here.

What we're telling you, Mr. Auditor, is that if you go out there and people plead a good case that they've had it up to here with H1N1, that they would really want to help you but they can't because all hands are on deck because three quarters of their staff are sick and the hospital is full, we understand that and we want you to take that into account. If this is what we mean to say, then I have no problem. But it is not written to say this right now.

The Vice-Chair (Mr. Ted Arnott): Any further discussion? Mr. Ouellette.

Mr. Jerry J. Ouellette: When we dealt with listeria, was that not the time when those actions were occurring?

Mr. Jim McCarter: Back when we were doing the C. difficile audit? That audit?

Mr. Jerry J. Ouellette: Yes.

Mr. Jim McCarter: I'd have to say that it was probably—there was some C. difficile being reported in the press, but I don't think it was as widespread as what I'm hearing the H1N1 is.

With that phrase in there, certainly when we start phoning up the hospitals, if they—because to be honest, and don't take this the wrong way, it's not unusual for us to get a bit of pushback all the time. But having said that, we'd typically say, especially if we get a request from the committee, "Listen"—probably what I'd be doing is sending a letter out to the OHA and then sending a letter to the hospitals that we select, basically saying, "Listen, this is a committee request. We're coming in." If the committee was to do this, say this, we might back off a bit if we really got a lot of pushback on the H1N1. So I guess that's how I would interpret such a motion, should the committee pass it.

M^{me} France Gélinas: Yes, but I would say that it would have to be specific. We are in the second phase of the pandemic, the second wave, as we call it, of the pandemic. We don't know what the uptake of vaccine within the health care providers is going to be. If half of a hospital's staff are sick and the hospital and ER are full, they may have a good reason to say, "Mr. Auditor, it's maybe not the best time to come." But I wouldn't want this to be—it has to be specific to the H1N1 pandemic, and then I have no problem respecting this. If this is what you want to do, Liz, I have no problem supporting that, if we add H1N1 in there.

Mrs. Liz Sandals: We've got a bell ringing here and I know some of the folks need to be upstairs right at 3.

Mr. David Zimmer: Let's move, then.

Mrs. Liz Sandals: Yes. I think we have it clearly in Hansard what the rationale for this is. I can't imagine that the auditor is going to say, "Gee, I think I'll slow down just for the sake of slowing down." There needs to be a reason. He has the discretion. He knows the—

Mr. Jim McCarter: I think I've got the message.

Mrs. Liz Sandals: He's got the message.

Mr. Jim McCarter: It's in Hansard that there's been a discussion. I think if I interpret the will of the committee, it is, "Use your common sense, Auditor." That's what I'm hearing: "Auditor, use your common sense."

Mrs. Liz Sandals: So if we could have a recorded vote, please?

Interjections.

The Vice-Chair (Mr. Ted Arnott): All those in favour of—

M^{me} France Gélinas: Has the motion been amended to say H1N1 in it?

Mr. David Zimmer: No amendments—

The Vice-Chair (Mr. Ted Arnott): All those in favour of the motion will please say "aye."

The Clerk of the Committee (Mr. Katch Koch): It's a recorded vote.

The Vice-Chair (Mr. Ted Arnott): Recorded vote, sorry.

Ayes

Delaney, Ramsay, Sandals, Van Bommel, Zimmer.

Nays

Gélinas.

The Vice-Chair (Mr. Ted Arnott): The motion is carried.

M^{me} France Gélinas: But the discussion stands—and it also stands that it applies to H1N1 too.

Interjections.

The Vice-Chair (Mr. Ted Arnott): Thank you. I just wish to inform the committee members that the subcommittee will have a discussion next week by conference call after the permanent Chair returns.

The committee stands adjourned.

The committee adjourned at 1455.

CONTENTS

Wednesday 4 November 2009

Subcommittee report	P-441
Special report, Auditor General	P-441
Mr. Dennis Ferenc, eHealth liaison branch, health system information management and investment division, Ministry of Health and Long-Term Care	
Mr. John McKinley, assistant deputy minister, health system information management and investment division, Ministry of Health and Long-Term Care	
Mr. Ron Sapsford, deputy minister, Ministry of Health and Long-Term Care	
Ms. Rita Burak, interim chair, board of directors, eHealth Ontario	
Mr. Robert Devitt, acting president and chief executive officer, eHealth Ontario	
Mr. Doug Tessier, acting senior vice-president of strategy, development and delivery, eHealth Ontario	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mr. Ted Arnott (Wellington–Halton Hills PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bob Delaney (Mississauga–Streetsville L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Also taking part / Autres participants et participantes

Mrs. Christine Elliott (Whitby–Oshawa PC)

Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Margaret Drent, research officer,

Ms. Lorraine Luski, research officer,

Ms. Susan Viets, research officer,

Legislative Research Service



P-26

P-26

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 18 November 2009

Journal des débats (Hansard)

Mercredi 18 novembre 2009



Standing Committee on Public Accounts

Committee business

Comité permanent des comptes publics

Travaux du comité

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

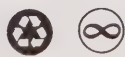
Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 18 November 2009

Mercredi 18 novembre 2009

The committee met at 1230 in committee room 1, following a closed session.

COMMITTEE BUSINESS

The Chair (Mr. Norman W. Sterling): I call this meeting to order.

I've received a motion from Ms. Gélinas.

Mr. Ted Arnott: You should do the subcommittee report first.

The Chair (Mr. Norman W. Sterling): No. Go ahead.

M^{me} France Gélinas: The motion goes as follows: that the Standing Committee on Public Accounts report to the House our recommendation that the assembly issue a Speaker's warrant pursuant to subsection 35(2) of the Legislative Assembly Act, for the purpose of calling Sarah Kramer and Dr. Alan Hudson as witnesses before the committee to give evidence with respect to the Auditor General's Special Report on Ontario's Electronic Health Records Initiative.

The Chair (Mr. Norman W. Sterling): Would you like to speak to the motion?

M^{me} France Gélinas: Absolutely. I would say that it's certainly not a motion that is done very often. Section 35 of the Legislative Assembly Act gives the Speaker the power to compel the appearance of people, documents or items deemed necessary to facilitate the business of the House in both the chamber and in committees.

The sixth edition of Beauchesne's Parliamentary Rules and Forms points out that, "Witnesses must answer all questions directed to them even over their objection that an answer would incriminate them." That's on page 239. Given the gravity of such an action, there is no doubt that Speaker's warrants should not be issued lightly.

In a ruling issued on November 19, 1992, Speaker David Warner outlined the requirements for the issuance of a warrant, pointing out that, "The Speaker cannot issue a warrant at the request of a single member or the assembly or even at the direct request of a committee. The Speaker may only exercise the discretion to issue a warrant upon the passage of a motion in the House." However, in the same ruling, Speaker Warner also referred to a December 19, 1991, order of the House that authorized a subcommittee of the Standing Committee of the Legislative Assembly to request a Speaker's warrant without having to seek additional authorization of the

House in an investigation concerning, among other parties, the Ministry of Health.

We as members of the assembly have the ability to empower the committee to get the answers Ontarians are seeking, but it is up to us to take the necessary steps to do so. This motion provides an opportunity to get answers to a situation that gives public servants and politicians yet another black eye when it comes to public confidence. This motion is just one step in the long journey we must take to restore that trust.

There is no doubt that the eHealth issue has raised questions about accountability, transparency and the responsible use of taxpayers' dollars. Although we've had the opportunity to question selected ministry and eHealth representatives, we've had trouble gaining some of the answers to specific questions. This is simply because those who have appeared before the committee dealt with many of the eHealth challenges after the fact and were not privy to the sourcing of contracts and the signing of agreements that are at the heart of the matter.

On both sides of the House there have been calls for responsibility, accountability and transparency to address the circumstances surrounding eHealth Ontario. I'll quote a few. On November 1, just a couple of weeks ago, in an article in the Toronto Star, our Premier is quoted as saying, "I think it's really important for us to just be honest about them, whether we're talking about eHealth, whether we're talking about the deficit, whether we're talking about the HST." On June 17, the Premier was quoted in the Globe and Mail as saying, "Most of the time, we get it right.... Sometimes we don't, and when we don't, it's important to acknowledge that and fix it."

We're not talking about a small amount of money; we're talking about expenditures that total \$1 billion of public money. This number alone, \$1 billion, is hard to get our heads around. It is just so big that it is hard to gain perspective. But let's look at a couple of ways to look at the scope of the figure in question. If we look at one billion seconds ago, we were in 1959; I wasn't even born. If we look at one billion hours ago, humankind was living in the Stone Age. If we stack thousand-dollar bills flat on top of each other to make \$1 billion, these bills would stretch 1.1 kilometres into the sky, one kilometre past the point where space flight officially begins.

Clearly we need answers, and the best way to do that is to hear from both sides involved in the matter. Nobody disagrees with the Premier as quoted in the media, but there are serious questions about both his and his govern-

ment's commitment to getting the answers he has publicly talked about. Despite the Premier's charge that the opposition is using eHealth as an issue to play partisan politics, it is the government that has used their majority to block nearly every opposition effort to bring two key parties before the committee, a move that just doesn't make any sense if the goal is to get to the heart of what went wrong. We need to talk to the people who were there. We need to talk to the people who signed those sole-source deals, who made those decisions.

1240

If the Premier agrees that honesty is important, as he said in the *Star*, and that it's important to fix the things we get wrong, as he said in the *Globe*, it becomes even more difficult to understand the government's ongoing effort to deny access to the two people who have the most intimate knowledge of what went wrong at eHealth. Common sense says that the best way to get an answer about an issue is to ask those who were directly involved in the matter. Yet, surprisingly, Dr. Hudson and Ms. Kramer still have not appeared before our committee.

Again, it is important to stress that this motion is not brought forward lightly. It is tabled as a last, best hope that the McGuinty government will do the right thing and help us get the answer to what went wrong at eHealth and help ensure that we get the best information available to address the shortcomings and get the province on track toward creating the electronic health records that everybody agrees we really need.

The warrant would also clarify questions about the committee's authority to call witnesses and what type of witnesses can be required to come forward. In House of Commons Procedure and Practice, Marleau and Montpetit indicate that committees of the assembly have the power to call forward private individuals, representatives of groups or public officials to give evidence. It is important to note that these powers are not limited to bringing forward public officials or government staff, but gives the power of section 35(2) broad scope as to who can be called to appear in order to fulfill the needs of the assembly or, in this case, of this committee.

Another reason to have the Speaker's warrant on hand is to make sure that valuable time is not wasted in an effort to get to the bottom of eHealth matters. Erskine May's *Parliamentary Practice*, Beauchesne's *Parliamentary Rules and Forms*, and Marleau and Montpetit's *House of Commons Procedure and Practices* all confirm that witnesses summoned in this fashion are compelled by law to appear and cannot decline such a request. While it is possible that Ms. Kramer and/or Dr. Hudson would appear without the issuance of a warrant, having one on hand ensures that the committee has the right tools on hand to get the answer it seeks in the event that voluntary compliance is not available.

Given the government's characterization of Ms. Kramer, I'm not sure she'd need much coaxing to give her side of the story; she may actually look forward to this opportunity. However, that said, it is important that the committee be given the tools to ensure that its busi-

ness can be carried out in an efficient manner, and the warrant is a sure way to achieve that end.

I sincerely hope that the government will answer the call for transparency, accountability and best practices, and use the tools available to us as members of this committee and members of this Assembly to ensure that we do right by those who have sent us here to represent them. I encourage you to support this motion and help get to the bottom of the eHealth matter in a manner that is in the best interests of our constituents and moves us toward the objective of building an electronic health records system that adequately meets the needs of the people of Ontario.

Dr. Hudson is responsible for some of the systemic changes to our health care system that we can all be proud of. To leave this cloud over his head is an insult to his career. Through the witnesses we've heard so far, we have shrouded this man's name and all his life's work. The eHealth scandal is what he will be remembered for, when he has helped in so many ways to move forward the agenda of building a better health care system for all of Ontario. We owe it to this man to clear his name, to have an opportunity to be heard so that we hear both sides of the story; otherwise, he will go down as the one responsible for what happened at eHealth. This is a shame on all of us. He and Ms. Kramer deserve to give us their side of the story, their story of what happened, to clear their names. This is what I'm asking you to do by bringing this motion forward.

The Chair (Mr. Norman W. Sterling): Discussion?

Mrs. Christine Elliott: Let me say at the outset that the official opposition supports the motion being brought forward by Ms. Gélinas. I would say also that we have considered it and don't take it very lightly. We understand that a Speaker's warrant is only issued in very unusual circumstances. However, I would submit that we are faced with very unusual circumstances in this case.

The Auditor General has reported that hundreds of millions of dollars of taxpayers' money were spent, with no discernible results. That's a serious issue. It's something that we should all be concerned about as members of this Legislature.

We have heard of other allegations, of favouritism, of contracts being untendered with certain parties getting favouritism and getting in some cases—there was a situation where one contract, a tender, was received and then the same day another tender was submitted. These are very, very, serious allegations.

At the same token, we've heard from a number of members of the Ministry of Health and from eHealth. We have questioned several members, and we still haven't been able to get satisfactory answers as to what went on and why things happened the way they did. In fact, we heard from the Deputy Minister of Health that he didn't know anything about the untendered contracts and only heard about it through the press. That's pretty startling to hear from a senior member of the ministry. I think it is something where we do have to bring this forward and ask and get answers to these very hard questions.

Some of the questions that we have asked have produced some contradictory answers as well. All of the questions we've asked have pointed to the fact that nobody there seems to know what's going on, but there are two people who do: Dr. Hudson and Ms. Kramer. They were the ones who apparently made some decisions that led to some of the present circumstances that we find ourselves in.

We really need to get to the bottom of it, and we have asked, as the official opposition, for a separate inquiry on this issue so that we can find out what did happen. We have been rebuffed to date, despite repeated requests, and so really, this committee is the only way that we can ask the questions that need to be asked and get some answers.

We've heard from the government that, "It's okay; don't worry; we've fixed that. We did wrong, but we're not going to do that anymore." With the greatest respect, until we know what actually happened, we can't ever have that assurance that it's not going to happen again, because we simply don't know what happened.

So Ms. Kramer and Dr. Hudson are the only ones who are going to be able to answer these questions for us. I think we need to know and get the system back on track—to find out what happened, to fix it and to get the system back on track for developing a system of electronic health records in Ontario. That, after all, is the real question here.

The thing that we should all be concerned about is how public money was spent and what we got for all the money that was spent over the course of time. We need to know this because obviously, electronic health records are important in terms of saving, over time, hundreds of millions of dollars by not needing repeated tests for people. But, more importantly, they're necessary for the delivery of excellent-quality health care in the province of Ontario. I would submit that if we don't ask these questions and find out what really happened by asking Ms. Kramer and Dr. Hudson to come here, we're going to be, all of us, doing a disservice to the people of Ontario.

The government has also spoken repeatedly about being open and transparent. I would submit that if it is true and serious about wanting to be open and transparent, the only way that they can do so in this particular instance is by calling Ms. Kramer and Dr. Hudson to give evidence before this committee.

1250

The Chair (Mr. Norman W. Sterling): Ms. Sandals?

Mrs. Liz Sandals: Please call the question, Chair.

The Chair (Mr. Norman W. Sterling): Well, we've only had about 10 minutes of debate. Are there any other members who would like to speak to the motion? Mr. Arnott.

Mr. Ted Arnott: Did you recognize Ms. Sandals?

The Chair (Mr. Norman W. Sterling): Yes. She had said "Call the question." I presume you don't have any—

Mr. Ted Arnott: Sorry.

The Chair (Mr. Norman W. Sterling): Do you want to—

Mrs. Liz Sandals: No. I was thinking that each of the opposition parties had had an opportunity to speak, and I was asking you to call the question.

The Chair (Mr. Norman W. Sterling): Okay.

Mr. Ted Arnott: Well, I'm certainly willing to speak.

The Chair (Mr. Norman W. Sterling): I'm ruling that I'm going to allow more time for debate on this. Did you have any response?

Mr. Ted Arnott: I must say that I'm surprised at this rather provocative move on the part of the government to call the question before they've even expressed an opinion on the motion. Normally, you would expect some explanation from the government members as to how they were going to vote on a motion like this. I'm rather surprised that this step was taken.

But I must say that I do support the motion that has been brought forward by the New Democrats. I certainly feel very strongly that this committee's work is not done in terms of our examination of the auditor's report on Ontario's electronic health records initiative. There are many questions that are, as of yet, unanswered.

I would suggest, if the government is going to shut down this motion and shut down the subcommittee motions that are also before the committee in terms of our consideration this afternoon, that the government has made a decision to try to bury the truth.

The fact is that without the participation of Dr. Hudson and Sarah Kramer, this committee will not get to the truth. Our caucus has put forward and tabled motions to this committee which we have not yet moved, but several weeks ago, you'll recall, Mr. Chair, we brought forward a significant number of motions, which included a request that Dr. Hudson and Ms. Kramer be invited.

I find it hard to understand why the government won't even consider extending invitations to these people, because clearly it is beyond dispute that they would add a significant amount of information to the discussion in helping us get to the bottom of the issue.

Ms. Gélinas's motion is more specific and suggests that we will need a Speaker's warrant. The only thing I would say with respect to that is we haven't even taken the first step of inviting these witnesses, even though the subcommittee had made that request. Of course, the government voted down that motion a few weeks ago.

In summary, I certainly want to again express my support for this motion. I will be voting for it. I would suggest that we need to have a recorded vote on this, and I would urge the government members to reconsider what appears to be their opinion on this matter.

The Chair (Mr. Norman W. Sterling): Mr. Bisson.

Mr. Gilles Bisson: I don't want to take a whole bunch of time, but I just want, for the record, to make a couple of points. I think Madame Gélinas laid out fairly clearly the importance in doing so.

You have two individuals who have been referred to on this committee by way of answers to questions where certain things were said, and they have not had an opportunity to respond to those comments. As well, the committee has not had an opportunity to question those two particular individuals who were involved in the entire eHealth issue. I think it's fairly clear that they have a substantial role to play in being able to bring to light

what exactly happened at eHealth, when it happened, who made decisions and how all this came about.

As Madame Gélinas said, the issuance of a Speaker's warrant is not something that is done often. I've seen it a couple of times. I know that Mr. Sterling and Mr. Ramsay, who has been here—and Mr. Crozier has probably seen it a few times as well.

What's interesting to note is that Speaker's warrants, although not used very often, have often been supported by the government. I was a member of a government where I know two Speaker's warrants were issued on two separate issues, and in those particular cases, we, as the majority on the committee, actually supported it because we felt at the time that it was important for the committee to be satisfied that in fact all those who had to be heard would be heard.

Therefore, I say to the government, you can take the position of not supporting this motion. If you do so, I think you do so at your own peril. I think the public, at the end of the day, understands that there are many questions that have yet to be answered on this particular file. The reluctance of the government to have those questions asked and the answers given I think speaks volumes to where this government is at on this particular issue. Like Mr. Arnott, I would be extremely interested to know what the government's position on this is rather than just trying to call the question.

The Chair (Mr. Norman W. Sterling): Any further debate?

Mr. Jerry J. Ouellette: I would concur as well. The Speaker's warrant is quite extensive. I think it's very important to have these individuals come before the committee just to give the opportunity. As was stated earlier, the Premier said that sometimes we get it right, sometimes we don't, but it's important to fix it. The difficulty there is that if we don't know exactly how it's broken or where it fell off the tracks, it's hard to come forward to try to get it right back on the tracks.

To make sure that opportunities like this don't occur in the future and that we've got it correctly straightened out this time, I think it is important that we have these individuals present before us so we do have the opportunity to question them directly.

I know there were other lines of questioning I was hoping to continue on with today as a result of some of the questions that were asked and the answers that were given during the last session, and I certainly look forward to those opportunities again. As I stated to the deputy minister and the deputants who were here, unless we get those individuals here and we can question them directly, we have to go indirectly through the people who are here, constantly put them on the spot and kind of find out information as best we can through third-hand sources. I feel it's very important that we have the opportunity to have them come before the committee.

The Chair (Mr. Norman W. Sterling): Any further debate?

M^{me} France Gélinas: I just wanted to add that I cannot understand. I mean, we have all sat here. We want this behind us. We want to turn the page. I cannot under-

stand that you don't want to hear from the people who were there. What kind of arguments can you use that would say, "No, we don't need to hear from the people who presently lay accused of everything that went wrong at eHealth"? How can you stand there after all the work that we've done, after everything that we've heard?

We now have Hansards that will be read for whoever wants to go back on this. You will have all of the blame for what went wrong laid on the heads of two individuals and then you will have the MPPs on that committee saying, "We don't want to hear from those people." How can you not want to hear what they have to say? They are the ones who were there. They are the ones who stand accused of everything that went wrong. And for one of them, for Dr. Hudson, he is a leader in health care in Ontario. He has done so much to bring the health care system forward. You will leave him hanging out there as the one who will bear the cross of everything that went wrong at eHealth, and he does not deserve this. We have to hear from those people.

When I did my line of questioning—and it's there for everybody to see—I did not go witch-hunting or anything like this; I asked each and every one of them, "What went wrong? How can we learn from this? How could we make sure it doesn't happen again?" That's all I want to ask those two witnesses. Let them tell us what went wrong.

The government has come forward and said, "There's no more sole-sourcing. We've done some changes." There's more to the story than this, and those people can get us the full story. They are the ones who were there, who deserve to be heard. If you're serious that you take the work of this committee seriously, how can you not want to hear from those two people?

The Chair (Mr. Norman W. Sterling): Ms. Sandals?

Mrs. Liz Sandals: Anyone else?

The Chair (Mr. Norman W. Sterling): Anyone else?

Mrs. Liz Sandals: Please call the question.

The Chair (Mr. Norman W. Sterling): Okay.

Mr. Ted Arnott: Recorded vote.

Ayes

Arnott, Gélinas, Ouellette.

Nays

Crozier, McNeely, Ramsay, Sandals, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost. Next, we will turn to the report of the subcommittee.

1300

Mr. Jerry J. Ouellette: Before we do that, I was concerned that we would move forward with a Speaker's warrant on the issue, if that would be necessary.

The reason I'm speaking now is that we've done some research to find out. When it was brought forth, Mr. Arnott had mentioned that the invitation to these in-

dividuals before the committee was within parliamentary tradition.

We've done quite a bit of research to find out through the clerk's office that, "There is no rule or tradition that only individuals currently employed by the relevant ministries or agencies are required to come before the committee. Committees can, and have in the past, have former employees of ministries and agencies appear before them." It goes on to list all the individuals etc.

As such, Mr. Chair, I'm asking if this committee could move forward with a formal recommendation on behalf of the committee, as to going to the formal request of a Speaker's warrant to have the individuals, to actually have the committee Chair write and invite these individuals to come before the committee. I would ask for some discussion on that opportunity to come forward.

The Chair (Mr. Norman W. Sterling): I guess it wasn't included in the particular motion of the subcommittee; is that correct?

Interjection.

The Chair (Mr. Norman W. Sterling): That would have to be put in the form of a motion, Mr. Ouellette, and then it would have to be a committee decision, so you might want to deal with that.

SUBCOMMITTEE REPORTS

The Chair (Mr. Norman W. Sterling): But let's deal with the report of the subcommittee. Do I have a mover of it?

Mr. Ted Arnott: I move adoption of the subcommittee report.

The Chair (Mr. Norman W. Sterling): Which one are we referring to? There are two.

Mr. Ted Arnott: The first one on my pile.

I move that the subcommittee report be adopted.

The subcommittee on committee business met on Monday, November 9, to consider the method of proceeding on the review of the 2009 Special Report of the Auditor General on Ontario's Electronic Health Records Initiative, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings on Wednesday, November 18, 2009 in Toronto;

(2) That the following persons be invited to appear before the committee: Ron Sapsford, Deputy Minister of Health and Long-Term Care—and, I add, still the Deputy Minister—and Rita Burak, interim chair of the board of directors of eHealth Ontario.

The Chair (Mr. Norman W. Sterling): Okay. Discussion?

Mr. Ted Arnott: Some of the arguments are the same as we put forward with respect to Madame Gélinas's motion. Specifically, we have had opportunities to raise questions with both Deputy Minister Sapsford and Ms. Burak, who is the interim chair of the board, but we still have many more questions that we would hope to ask. We would have hoped to have had the opportunity to ask those questions today.

The Chair (Mr. Norman W. Sterling): Further debate?

M^{me} France Gélinas: I think it is worthy of mention that we have split the meeting in two to make it more palatable for the members of the Liberal party to approve and support the request. I hope they'll be true to their word.

The Chair (Mr. Norman W. Sterling): Further debate? There being no further debate—

Mr. Ted Arnott: Recorded vote.

Ayes

Arnott, Gélinas, Ouellette.

Nays

Crozier, McNeely, Ramsay, Sandals, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost. There is another subcommittee report. Mr. Arnott?

Mr. Ted Arnott: I move that the subcommittee report be adopted.

Your subcommittee on committee business met on Monday, November 9, to consider the method of proceeding on the review of the 2009 Special Report of the Auditor General on Ontario's Electronic Health Records Initiative, and recommends the following:

(1) That the committee meet for the purpose of holding public hearings on Wednesday, November 18, 2009, in Toronto;

(2) That the following persons be invited to appear before the committee: Michael Guerriere, Karli Farrow, Jamison Steeve, Sacha Bhatia and Gail Paech.

The Chair (Mr. Norman W. Sterling): Discussion?

Mr. Ted Arnott: Again, it is the position of our caucus and the members of the Progressive Conservative Party that these discussions need to continue at this committee if the government is unwilling to hold a public inquiry. The names of the five people who are included in this motion have come up during the course of previous meetings of the Standing Committee on Public Accounts with respect to this issue.

It is our contention that these people need to be invited to come forward to tell us what they know about how hundreds of millions of dollars of taxpayers' money has been wasted; why the auditor was obstructed in his efforts to begin his audit; why sole-source contracts were let, demonstrating, in many cases, favouritism and possibly political favouritism; why contracts were parsed down in terms of their value to circumvent established rules; and to get to the bottom of why hundreds of millions of dollars were wasted and why we still don't have an electronic health record of which we can be proud.

The Chair (Mr. Norman W. Sterling): Further discussion?

M^{me} France Gélinas: It would have been a whole lot easier to have Ms. Kramer and Dr. Hudson answer our questions so that we would know exactly what went on. They were there. They were the ones who were in charge and could explain how come we didn't get value for

money, as was described in the auditor's report. We're not allowed to ask the people who know, so we have to go through second-hand. A lot of the witnesses who have come forward have brought partial answers, but their partial answers also included other people who were either present when some of the talks were going on or were taking part in e-mail exchanges between themselves and Dr. Hudson and Mrs. Kramer.

Given that we cannot talk to Mrs. Kramer and Dr. Hudson, then we need to talk to a broader and broader number of people who were witness to what we're trying to find out, and those names came up through the exchange we've had with the witnesses who have appeared already.

The Chair (Mr. Norman W. Sterling): Further debate? Okay, I'll call the question.

Mr. Ted Arnott: Recorded vote.

Ayes

Arnott, Gélinas, Ouellette.

Nays

Crozier, McNeely, Ramsay, Sandals, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost.

I have received a motion, and I'm just going to ask the clerk whether it's in order. Okay.

Would you read the motion, Mr. Ouellette, and then I'll give committee members an opportunity to wait for a copy, if they find that necessary.

Mr. Jerry J. Ouellette: I move that the Standing Committee on Public Accounts, seeing that there is no official rule or tradition that only individuals currently employed by the relevant ministries or agencies and that the committees in the past have invited such individuals, that the committee Chair officially invite Sarah Kramer, Dr. Alan Hudson and Gail Paech to present before this committee.

The Chair (Mr. Norman W. Sterling): Discussion?

Mr. Jerry J. Ouellette: I just feel that it's necessary to have these individuals before the committee to ensure that they are given an opportunity to present, as I said, their side of the issue. As has been mentioned by France, Dr. Hudson has a long and strong history of contributing to Ontario and the health care sector and we want to ensure the individual is given that opportunity to come before committee to express his perspective on how this has taken place, as well as the other individuals I have mentioned. This is an opportunity to come forward and clear their names, to make sure that they're given the opportunity to discuss this issue before committee, as well as give the committee the opportunity to question them on how they actually saw it and how we can make it better.

The Chair (Mr. Norman W. Sterling): Further discussion?

M^{me} France Gélinas: I remember that it was Ms. Sandals who brought that argument forward, that by in-

viting Ms. Kramer or Dr. Hudson we were not following parliamentary procedures. Now that we have researched it more and realized that it is not part of parliamentary procedure to limit ourselves to people who are currently employed, I think this argument doesn't stand anymore. It just takes away the barrier she had used at the time for not inviting those people.

Sarah Kramer and Dr. Hudson are the prime individuals who know what happened. They are the ones who can help us clear the air, turn the page and move forward in a positive way. To not allow them to do this is to hold everybody back. It will be really hard to turn the page, move on and get on with the work that we all know is needed if we don't let those people come forward and tell us exactly what went wrong.

The Chair (Mr. Norman W. Sterling): Mr. Arnott.

Mr. Ted Arnott: I want to commend my colleague Mr. Ouellette and associate myself with his comments. When our party suggested that some witnesses be brought forward to this committee who were previously in certain capacities and no longer are in those capacities; who were actually doing the job when all of this stuff was taking place at the eHealth agency and the Ministry of Health, the people who are actually well-placed to tell us exactly what happened, we were told by the government members that it was parliamentary tradition that we only invite those who currently hold those offices. It was the first time I'd ever heard of such a parliamentary tradition and I disputed it at the time, but at the same time I was pleased that the research had been done. Mr. Ouellette has brought this forward to demonstrate that in fact, there is no such parliamentary tradition. Therefore, the government has no argument against this motion.

So far this afternoon, they have not made any statement to express why they're voting against our motions. I would challenge them and hope that they will make a statement on this one at least. We're getting to the point where it appears that the government is trying to shut this down and, as I said earlier, bury the truth on this whole issue, and that is regrettable. But I would encourage all members to support this motion because I think it demonstrates our continuing commitment to try to get all the facts on this issue. I commend Mr. Ouellette for bringing it forward.

The Chair (Mr. Norman W. Sterling): Further debate? Seeing no further debate, I call the question.

Mr. Ted Arnott: Recorded vote, again.

Ayes

Arnott, Gélinas, Ouellette.

Nays

Crozier, McNeely, Ramsay, Sandals, Zimmer.

The Chair (Mr. Norman W. Sterling): I declare the motion lost.

There are no further motions. We can go into our in-camera reporting session.

The committee continued in closed session at 1310.

CONTENTS

Wednesday 18 November 2009

Committee business.....	P-465
Subcommittee reports	P-469

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Ted Arnott (Wellington–Halton Hills PC)

Mr. Ted Arnott (Wellington–Halton Hills PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bruce Crozier (Essex L)

Mr. Rosario Marchese (Trinity–Spadina ND)

Also taking part / Autres participants et participantes

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mrs. Christine Elliott (Whitby–Oshawa PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Margaret Drent,

Ms. Lorraine Luski,

Ms. Susan Viets,

research officers,

Legislative Research Service



P-27

P-27

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 24 February 2010

Journal des débats (Hansard)

Mercredi 24 février 2010

Standing Committee on Public Accounts

Organization

2009 Annual Report,
Auditor General:
Workplace Safety
and Insurance Board

Comité permanent des comptes publics

Organisation

Rapport annuel 2009,
Vérificateur général :
Commission de la sécurité
professionnelle et de l'assurance
contre les accidents du travail

Chair: Norman W. Sterling
Clerk: Katch Koch

Président : Norman W. Sterling
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 24 February 2010

Mercredi 24 février 2010

The committee met at 1232 in committee room 1 following a closed session.

The Chair (Mr. Norman W. Sterling): The meeting will come to order. My name is Norman Sterling. I welcome our many guests today. We are going to deal with two very small matters of business prior to undertaking our hearings with regard to the workmen's compensation liability of the Workplace Safety and Insurance Board hearing.

ELECTION OF VICE-CHAIR

The Chair (Mr. Norman W. Sterling): I have the duty to elect a new Vice-Chair to our committee. Are there any nominations?

Mr. Paul Miller: I'd like to nominate Peter Shurman.

The Chair (Mr. Norman W. Sterling): Thank you, Mr. Miller. Any further nominations? If not, I declare the nominations closed and declare Mr. Shurman elected Vice-Chairman of the committee. Congratulations, sir.

Mr. Peter Shurman: Thank you.

The Chair (Mr. Norman W. Sterling): We don't require any speech.

Mr. Peter Shurman: No speech. You just have to push the button.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Norman W. Sterling): Mr. McNeely has a motion.

Mr. Phil McNeely: I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Madame Gélinas, Mrs. Sandals and Mr. Shurman; and

That substitution be permitted on the subcommittee.

The Chair (Mr. Norman W. Sterling): Any discussion? All those in favour of the motion? Carried.

2009 ANNUAL REPORT,
AUDITOR GENERALWORKPLACE SAFETY
AND INSURANCE BOARD

Consideration of section 3.14, unfunded liability of the Workplace Safety and Insurance Board.

The Chair (Mr. Norman W. Sterling): We'll now move to our main business, and that is examining section 3.14 of the Auditor General's 2009 report, the unfunded liability of the Workplace Safety and Insurance Board.

We have three witnesses presently sitting in front of us: Mr. Steve Mahoney, chair of the board; Mr. David Marshall, president and chief executive officer; and Ms. Cynthia Morton, Deputy Minister of Labour.

I believe Mr. Mahoney would like to open with a few remarks. Then we'll be turning it over to Mr. Marshall. Lastly, we will hear from the deputy minister, Ms. Morton.

Mr. Steve Mahoney: Mr. Chair and members of committee, I have a few brief comments to make. Before I begin, however, staff will be introduced as required in answering questions at a later time, but I would like to acknowledge one of my members of my board, Mr. Louis Girard, who is here in the audience today as well.

We do welcome the opportunity to appear today to respond to the auditor's report regarding the WSIB's financial position and the unfunded liability.

I'm particularly pleased to introduce to all members the newest member of our team, our new president and CEO, David Marshall. David brings to us very impressive financial credentials. He also brings an experienced public administrative skill set that will serve us well. David has held many key federal government positions, including assistant Auditor General and deputy Receiver General for Canada. As a certified general accountant, he has also held senior roles in the Toronto and New York banking sectors.

In the short time that David has been with us at the WSIB, I have been very impressed with his thoughtful absorption of the mechanics—somewhat complicated, as I'm sure you all know—of the WSIB and Ontario's complex health and safety system. His experience and leadership in facing the challenges of such a large organization come to us at a very important juncture in our history.

In this regard, and before I hand over to David for the main part of our presentation, I would like to point out that he's already initiating important change within the organization to realign our operations to better meet the needs of our clients, the injured workers, and our premium ratepayers, the employers of the province of Ontario.

Having just completed a comprehensive, year-long consultation myself with stakeholders across Ontario, I can tell you that this critical examination of our programs and policies has provided valuable feedback to me, to our board of directors and our new president and, I believe, to the entire organization. My report on that consultative process is now on our website, available for all to see. We'll be continuing the ongoing dialogue with all stakeholders so that we can move forward together in creating a sustainable financial future for Ontario's workers' compensation system as we continue working together on the road to zero: zero injuries, zero illnesses and zero fatalities.

After, as you have said, Mr. Chairman, Mr. Marshall presents, I believe the deputy has some additional remarks, and then we will be happy to answer your questions.

The Chair (Mr. Norman W. Sterling): Thank you. Mr. Marshall.

Mr. David Marshall: Good afternoon. It's a pleasure for me to be here today. I welcome this opportunity to present to your committee some of my initial views on the financial situation at Ontario's Workplace Safety and Insurance Board.

With your permission, Mr. Chair, I've provided members of the committee two small charts, which I will refer to in the course of my remarks, and I take it that those are available to members. Yes? Thank you.

It's been one month since I began work here as president and CEO of the WSIB. In that time, I've learned a lot and met a lot of excellent and knowledgeable staff. Some of them are here today to help me answer your specific questions.

Starting in my first week, I've begun meeting with several stakeholder groups representing both workers and employers. Early on, these meetings have helped me understand the need to keep driving forward on things like reducing the stigma for injured workers, and have assisted me in understanding the rich and colourful history of a host of other issues. I'd like to express my appreciation for the time these stakeholders have taken to spend with me, and I trust that I can continue to draw on their experience and knowledge going forward. After all, the WSIB belongs to the workers and employers of Ontario as much as it does to anyone else.

I've come into this role as president and CEO of the WSIB with a clear mandate from the minister. It is to build a sound financial plan for our organization and address the unfunded liability; to ensure stability for workers, employers and stakeholders; and to ensure we have a WSIB that is, and is seen to be, value-added.

My background as a banker and businessman and my experience in senior government roles will, I hope, assist

me in this task. I suppose it doesn't hurt that I also worked for the Auditor General of Canada for several years.

I've reviewed our Auditor General's report on the unfunded liability. I must say, I find Jim McCarter's report to be extremely helpful in setting out some of the key issues and getting us to think about where we are at this particular juncture. It deals, of course with the issue of the unfunded liability at the WSIB.

Let's examine for a moment the existence of an unfunded liability in the general scheme of things. For starters, the employers covered by the WSIB fall into two categories: schedule 1 employers, who comprise a majority of commercial businesses; and schedule 2, who comprise mostly municipalities and other government entities.

There is no unfunded liability for the schedule 2 employers. Why? Because schedule 2 is a pay-as-you-go system. Each year, the participants pay the full medical, wage loss, rehab and return-to-work costs of all injuries paid for in that year by the WSIB.

Schedule 1 employers, on the other hand, enjoy, in effect, a smoothing-out of these costs. That's another way of saying they're not paying the full tab for the injuries caused. Another way to express this is that at any point in time, if you don't charge for the full cost, you will carry a liability. In this case, it's the unfunded liability at the WSIB.

Whether we should collect the full amount of current and future liabilities in each year from employers, or whether we should collect only enough to be viable and leave the rest to be reinvested by employers to create economic wealth, is a matter of debate. There are arguments on both sides of the issue.

One might ask if the existence of an unfunded liability poses a threat to the financial viability of the insurance system. Let's see if history is any guide. Over the last 25 years, the average funding ratio—per year which is another way of expressing the amount of money WSIB has on hand to fund future liabilities—has barely been above 50% on average over that whole period, yet all obligations during that time have been met.

Even today, the system is not in crisis. From the figures I've seen, the WSIB is financially able to meet its obligations as far into the future as one can reasonably see, and that means for at least a quarter-century or more.

You heard from the Auditor General that the existence of an unfunded liability is the result of a complex set of interactions among at least four key levers: premiums, coverage, the level of benefits paid, and the amount earned on investments.

In my view, it would be dangerously simplistic and probably plain wrong to jump to the conclusion that the existence of an unfunded liability is caused by any mismanagement at the WSIB. I'm sure our Auditor General is not suggesting that.

Now let's look at the record. The WSIB, in agreement with stakeholders, set a target in 1984 to eliminate the unfunded liability by 2014. I'd ask you now, if I may, to

look at chart one in front of you. That is the 25-year historical record of the unfunded liability. If you look at the chart, you'll see that, indeed, excellent progress was made over the last 25 years. In fact, in 2006—if you go down the left-hand column and then look over to the right—the funding ratio was as high as 73%, up from where it started in 1985 at about 31%. So you can see a steady, pretty good trajectory to getting the fund into balance. In 2006, the 73% ratio is as high as it has ever been in the last 25 years. Certainly, at that level of funding, few people would have been concerned. Indeed, at that stage, projections show that the fund was entirely on track to reach full funding by 2014, even with the increases in benefits that were enacted in 2007. That's a credible record.

You'll also notice from the chart that the WSIB fund suffered a sharp setback in 2007 and 2008, which has thrown the path to full funding entirely off track. What caused the setback? Well, I think the main drivers are known. During the economic downturn of 2007 and 2008, investment returns fell, payrolls and premiums fell, injured workers couldn't find work to go back to, and the impact of absorbing even a modest increase to injured workers' pensions was harder to absorb than when it was first introduced.

In early 2009, it became clear that the system had not built up enough reserves to deal with this setback, and that the goal of full funding for 2014 was not attainable under the circumstances.

What is clear is that we now need a plan to get the system to better financial health and ultimately to build in a cushion to protect the system when economic turbulence like this hits. So how do we do that? What issues are facing this system that need to be addressed?

Let's start with worker benefits. Decisions about worker benefit rates are in the hands of our legislators. Some stakeholders have told me that increased benefits for injured workers are an issue or that our benefit levels are too high. Frankly, I disagree with that. I believe the WSIB benefit package as it stands today is quite reasonable and in fact is quite comparable to what other jurisdictions are paying. Between 1995 and 2007, inflation rose by almost 29%, while many of our worker benefits increased by only 2.9%.

I do, however, think we need to look at the funding levers and systemic issues that are driving cost pressures to the system. These pressures include premium revenues, claims costs, health care costs and claims duration.

Let me turn for a moment to premium rates. The premiums paid by employers in the system are the WSIB's primary source of revenue. Since 1999, the WSIB's premium rates have been among the most stable in the country, and, on average, premium rates are 12.7% lower now than they were 10 years ago. But this break for employers has come at a cost to the system. Had we left premium rates at \$3, as they were in the mid-1990s, we would have balanced the books as early as 2006. Conversely, from what I can see, even if premium rates had only been adjusted for inflation over the past 10

years, we would be in a surplus position today. This means that the WSIB has effectively been deferring costs, leaving the money in the hands of the employers to invest and grow their businesses.

In terms of the number of employers who are covered by the WSIB, the Auditor General has pointed out that Ontario, at some 72% coverage, has the lowest coverage of the workforce of any of the provinces. As the composition of employment changes, the group of employers covered by the WSIB is shrinking relative to the group not covered. This is a serious issue and obviously will need to be looked at in conjunction with the government.

I will now turn your attention to claims costs. Keeping injuries and hence claims costs down is to a very large extent in the hands of Ontario's employers, together with employees. The principal measure we have been using to gauge performance in this area is the number of lost-time injuries. By this measure, employers have been doing a good job in reducing overall lost-time injuries. The rates, in fact, have dropped by 40% over the last decade. Good-performing employers have been given bonuses and poorly performing employers have had to pay a surcharge. The net result between the two is that employers overall have received bonus cheques worth more than \$1 billion over the past 10 years.

But the overall lost-time-injury figure doesn't tell the whole story. Some serious injuries and fatalities are not doing nearly so well and indeed are troubling. Some, such as deaths from occupational disease like cancer, are actually going up. As well, a whole industry and complexity has grown up around counting the number and massaging the number.

As a former banker, I've asked the question of why bonus cheques have been handed out while the cost of claims has gone up. In my view, and I will admit it is an early reading on my part, the incentive scheme that is inherent in the lost-time-injury number and the experience rating of employers relative to that number is in need of a serious overhaul.

1250

More importantly, workers are staying on benefits longer because they are failing to return to work. We call this phenomenon the duration of a claim. The longer an injured worker stays off work, the more it costs, both financially and in human terms.

We've noticed that since 1998, duration levels have been rising sharply, and, not so surprisingly, so has the average cost of benefits. Studies by the Institute for Work and Health and, more recently, by the firm of KPMG found that the key drivers for the increase in duration of claims are unintended effects of legislative changes in 1998 that caused the WSIB to be less involved early in the life cycle of a claim, behaviours on the part of employers resulting from the way financial incentives were structured, and health care costs, specifically addictive narcotics prescribed more often and earlier in the life of a claim.

Also contributing to increased benefit costs has, of course, been a sharp increase in the average age of

workers at the date of injury. There has been a sharp increase of almost 50% of claims coming from workers who are 45 years of age or older.

WSIB has been responding to these phenomena, and we'll be glad to discuss these actions with you, should you desire us to do so.

I've discussed premiums and benefits and I'll now turn to investments. My review indicates that the long-term investment performance of the WSIB fund has been quite satisfactory. As the AG points out, the WSIB investment fund had a long-term average return of 6.6% at the end of 2008 compared to a target of 7%. This long-term average has now increased to 7.6% at the end of 2009. So it has delivered what it has promised.

There has been some volatility, as the AG has said. At 56% in equities, the fund carried more exposure to the stock market than other similar funds in other provinces. In fact, in early 2008 the WSIB, under the guidance and approval of our investment committee, revised the strategy to reduce volatility while still targeting the long-term return of 7%. The real challenge for the investment fund, I submit, is not how it has been managed but the fact that it has been too small relative to the outstanding liability and needs to be built up.

Let me talk about the challenges ahead. The system of worker compensation is, by its nature, a complex one. Trends and unintended effects take a long time—often years—to become evident. For example, the unintended effect of changes to legislation, the impact of occupational diseases and the effect of an aging workforce all can take years to identify and correct.

I'd ask you to turn to the second chart before you, the one that is titled, "Total Costs for 2009 Injuries, Illnesses and Fatalities." Do you see that one? It's the horizontal chart. This chart was prepared by a firm of actuaries that advises several workers' compensation boards across Canada.

On the left-hand side, the firm has listed short-term disabilities, long-term disabilities, the cost of vocational rehabilitation, health care costs and survivor benefits, for a notional total of \$100 or full cost, and on the right-hand side the incidence of those costs over time. You'll notice that in the first line, for short-term disabilities, 44% of the cost of an injury like that for benefit payments will be incurred in the year in which that injury occurs. Most of it will be incurred just after the first year and then it trails off. But if you look at the second line, for long-term-type disabilities, you'll notice that only 1% of the total benefit cost of that injury will be visible in the first year and a full 70% of that cost will have to be paid 11-plus years out after the injury has occurred. There is an extremely long tail to serious-type injuries, and they take a long time to reverse in terms of their cost impact.

I've examined the current inventory of claims which make up the unfunded liability at the end of 2008. I found that older claims, especially those that are locked in, make up over two thirds of the current liabilities. In fact, many of them—some 130,000 of them—date before 1990. We can do little to change them except manage

them to completion. That leaves only about one third of claims that are relatively more current and that we can influence. I say "relatively" because even among these claims there are many that stem from serious or long-term injuries that could be under benefits for some 40 years into the future.

You will appreciate that there is no magic wand we can wave to reduce our liabilities. We can and must pay extreme attention to how we are filling the inventory going forward. We must try to prevent injuries, especially serious injuries, from occurring in the future, so that the inventory does not fill with claims today that will burden the fund six, 10 and 20 years into the future. We need to get these workers back to work safely and avoid high benefit costs and health care costs. We need to work collaboratively to keep duration levels down. We need to restore confidence in the system. Along with employers and workers, WSIB has a key role to play, and we intend to play it.

Purely in terms of administrative costs at the WSIB, I really believe this is not a significant factor in the overall picture. The Auditor General has certainly not pointed out a serious problem in this area. The managers at WSIB have contained administrative expenses virtually flat over the last five years. My chief financial officer assures me that we are in full compliance with government's rules on expenses and procurement. I've also asked that all consulting and professional service contracts be posted on our WSIB website for all to see.

Some folks have suggested that we take a serious look at privatizing the WSIB program, allowing employers to find a private insurer. We could, of course, look at this. But I must tell you that some of the studies I've seen show clearly that the costs of private insurance for the level of benefits provided by our system would be far greater and carry far greater financial risk than what is being experienced today.

In conclusion, I would say that eliminating the unfunded liability or at least achieving an acceptable level of funding to ensure a financially sound system is a complex challenge, but we must tackle it. While there are grounds for debate as to whether we should maintain full funding or leave money in the hands of employers to be invested, I believe the current level of unfunded liability is not healthy and must be brought down. I believe the current system does not provide sufficient reserves to cushion bad economic times, does not permit us to reduce premiums, and poses a constant downward pressure on workers' benefits.

Of course, any plan requires a system-wide approach that balances the needs of all the different players. My goal is to collaboratively build a long-term financial plan with measurable benchmarks and milestones, and to do it as quickly as I can. Everything is on the table for consideration. The chair's recent round of consultations will be an important guide, and I am looking forward to continuing to work closely with him as we tackle these issues.

Truthfully, there has already been a whole raft of studies, reviews and audits done, and comments from all

sides received. However, no amount of studying will change the fact that in the end, some tough decisions will have to be made.

I have received nothing but the strongest support from my chair and the board and senior staff of the WSIB, from the Minister of Labour and from officials in the ministry. I look forward to working with you and our stakeholders to find the right balance on this journey.

The Chair (Mr. Norman W. Sterling): Thank you.

Ms. Morton, Deputy Minister of Labour.

Ms. Cynthia Morton: Thank you for inviting me to speak with you today following the chair's and CEO's remarks regarding the financial situation of the province's workers—I used to work in the system; I keep calling it the Workers' Compensation Board, but it is in fact the Workplace Safety and Insurance Board—and responding to the Auditor General's concerns about the board's unfunded liability.

1300

I'm going to speak to you today briefly around the role of government with respect to the WSIB. We have a role in four areas: One is the appointment of board members and the CEO, the second is the agency oversight through an MOU, and the third and fourth are the legislative provisions with respect to setting benefit levels and coverage.

In selecting Mr. Marshall as the board's new president and CEO, the government has appointed someone with financial expertise and someone who understands both the private and the public sector challenges.

As a former federal Deputy Minister of Public Works, assistant Auditor General of Canada, and a member of the private banking industry, Mr. Marshall is regarded by Minister Fonseca as the ideal candidate for working with the chair, the board of directors and the stakeholders of the WSIB to ensure a sound plan to address both service delivery and financial priorities.

Mr. Marshall has a clear mandate, as important to government as it is to the chair and the board of directors, to improve the WSIB's efficiency and effectiveness, and to address its finances, specifically its unfunded liability.

The Ministry of Labour has been supporting the Ministry of Finance in reviewing the Auditor General's comments with respect to Public Sector Accounting Board principles about what constitutes the definition of a trust in chapter 2 of the Auditor General's report, and the appropriate accounting treatment of the WSIB. I understand that you will be discussing those issues directly with the Ministry of Finance at a later time; therefore, this will not be the subject of my remarks today on behalf of the Ministry of Labour.

What I can provide you with today is some information about the expectations of the ministry and Minister of Labour with respect to the future planning of the WSIB to ensure its financial sustainability. I will also try to assist in setting out how legislative oversight of the ministry interacts with the WSIB's responsibility for planning and delivery of services, and our respective leadership roles in the workers' compensation system of Ontario.

It is indeed a complex, 100-year-old relationship between the ministry and the workers' compensation system, and it is constantly evolving. My personal relationship with the system here and in British Columbia now spans 25 years in public service—I started when I was very young—including my time as a vice-president and general counsel of the Workers' Compensation Board in Ontario in the early 1990s and as a member of the board of directors in BC in the mid-1990s.

It is, I believe, rightly noted by the Auditor General in his report that, "Workplace safety and insurance systems operate in a" very "complex business environment because they serve a number of stakeholders with competing interests and views pertaining to the key" issues "of insurance benefits, coverage, and premium rates." For example, in the chair's recent consultations, labour groups spoke of concerns about inadequate benefit levels, the non-reporting of injuries and the lack of return-to-work opportunities, whereas business groups, on the other hand, focused on maintaining affordable premium rates.

In the midst of these sometimes competing priorities, the Auditor General has rightly noted that "it is incumbent on" both "the WSIB and ... government to try to balance such views against the need to maintain financial stability."

At this point, I'd like to review with you briefly the statutory and operational relationship between the Ministry of Labour and the WSIB. This relationship is established pursuant to the Workplace Safety and Insurance Act as well as through other governance and accountability requirements that apply to all agencies that any ministry may oversee.

Under subsection 159(2) of the Workplace Safety and Insurance Act, "the board has the powers of a natural person," which include the authority to set premium rates, to consider and approve its operating and capital budgets, to set investment policies and to make program changes.

The board of directors of the WSIB is responsible for governing the day-to-day operations of the agency in terms of program delivery and in terms of administration of the insurance fund on behalf of employers and workers. That having been said, I believe all members present would confirm that there is much public expectation around the need for openness, transparency and government oversight with respect to the practices of government agencies, boards and commissions. The Minister of Labour is accountable to the Legislature for the WSIB and therefore has an important oversight role to play.

The government's agency establishment and accountability directive, which I'll call the AEAD from here on, sets out those accountability frameworks in which ministries and agencies are expected to operate. A key instrument for that accountability and oversight contained in AEAD is a requirement that there must be a memorandum of understanding in place for all government agencies.

The memorandum of understanding is a very significant document for the ministry and the WSIB. It sets out mutual responsibilities, accountability relationships and mutual expectations between the agency and the ministry. Section 166 of our legislation, the Workplace Safety and Insurance Act, also establishes a legislated requirement that we have a memorandum of understanding in place and that it's renewed every five years.

The most recent memorandum of understanding was signed between the chair of the WSIB and Minister Fonseca in November 2009. Both the act and the MOU require the board to submit to the minister each year a five-year strategic plan, as well as an annual statement of priorities for administering the act and regulations, and an annual report for the minister to review and table in the Legislature.

Mr. Marshall has told you that—and I believe his chart demonstrates that—in fact, in 2006-07, the funding ratio was the best it had been for 25 years. Until recently, the WSIB's strategic and business plans submitted to the minister anticipated the successful retirement of the unfunded liability by 2014. This goal did, in fact, come into question only last year because of the impact of the economic downturn on the investment portfolio and a reduction of revenues recovered from employer premiums as workers were laid off.

The memorandum of understanding has emphasized a requirement for sound management practices and controls required within the agency. In this regard, it lists government directives to which the WSIB is bound. As Mr. Marshall has noted, these include the government's travel, meal and hospitality directive, as well as the new elements of the procurement directive announced last fall by the Premier, which restrict single-sourcing of consulting contracts and prohibit the payment of meals and hospitality to consultants. The WSIB was asked for, and has provided to the ministry, an attestation of its compliance with these policies and the directives.

These generally describe the legislated parameters that define the respective roles and responsibilities between the ministry and the WSIB. I'd now like to speak to the other legislated roles the Ministry of Labour has that are addressed in the Auditor General's report.

As noted already by Mr. Marshall, the Auditor General has identified four levers that affected the unfunded liability: level of benefits, number of workers covered, premium rates and investment returns.

The government has a role in two of these areas and levers: setting benefit levels and indexation rates under the Workplace Safety and Insurance Act, and approving the regulation that sets out which industries and employers are covered.

First, if we may review the issue of legislated benefit levels as a lever affecting the unfunded liability: It is our experience that it is not the type of legislated benefits that is unusual in Ontario, relative to other jurisdictions. Rather, it is the length and cost of these allowed claims that is affecting the unfunded liability. The length of time injured workers stay on benefits, coupled with very high

health and drug costs, is increasing the financial pressure on the system beyond anticipated levels.

It is a critical expectation of the minister that, under the leadership of the board, all parties must do a better job of getting workers good health care, effective return-to-work assistance, labour market re-entry assistance and worthwhile employment when they are able to return to work. The minister has expressed this expectation to the chair and the new CEO. We will monitor the work of the WSIB to ensure this remains a key priority of the board and that the outcomes are successful.

The ministry knows the WSIB has in its sights improved service delivery and financial outcomes. These are not simple goals. Beneath the return-to-work focus lie issues of psychological and physical damage caused to workers by injury and accidents, coupled perhaps by excessive or inappropriate medication and perhaps insufficient access to training or rehabilitation in the time and form most useful for encouraging a worker to find a new career path.

Further, we also know injured workers face a stigma when seeking work, so to find them meaningful opportunities to return them to the workforce can be challenging. There is much work to do. The minister is willing to give the WSIB any and all support necessary to help the board achieve these changes, and we will be monitoring its progress. The recent labour market re-entry audit has been embraced by the WSIB, and implementation of its recommendations will be the subject of oversight.

As an example of government attempting to strike a fair balance in difficult times when exercising its legislated role to establish benefits, the government recently approved an increase of 0.5% to reflect the impact of inflation on workers' benefits. One consideration in making this decision was to reduce the impact on the unfunded liability. This, I believe, is a reflection of government's commitment to managing the interests of stakeholders in a fair and balanced way.

1310

I would add that as the ministry works with the WSIB on a strategy to ensure fiscal sustainability, we will review the overall issue of benefits that the Auditor General has raised and we will determine whether our legislative framework is sound or whether it requires modification.

The final legislated lever noted by the Auditor General and by Mr. Marshall as being within the government's purview is the extent of coverage of employers and workers under the legislation.

I would note that there have been recent amendments to the Workplace Safety and Insurance Act which extend coverage to many more independent operators in the construction industry. These will be fully in effect in 2012. This is a major step by Ontario toward expanded coverage in the high-risk industry of construction. This change will extend protection to about 90,000 more individuals.

To conclude, everyone here, I believe, recognizes the strong opinions of business and labour, and injured

workers, about the connectedness between premium rates, incentives to get workers healthy and back to work, and the reduction we have seen in lost-time injuries.

The chair and CEO have committed to a review, which the minister supports, of the way in which the WSIB sets premium rates. We will be examining this work of the WSIB in the months ahead.

We in government are currently examining our options on the legislated levers of benefits and coverage. The WSIB is working on a fiscal strategy and reviewing its rate-setting strategy. By the fall of this year, the ministry and the WSIB will have a framework to move forward with a plan to tackle the unfunded liability.

We at the ministry and the WSIB are exploring and establishing performance measures through which we will all be able to measure how well the system is doing to remain sustainable, with regular and public reports on achieving these performance measures as we go—and, as David Marshall has noted, setting benchmarks and establishing ways to measure progress.

The ministry wishes to ensure that the WSIB is aware of, and is engaged in, a meaningful dialogue with us and its stakeholders on the components of a viable and fair workers' compensation system for the future. The Ministry of Labour has increased its monitoring of the situation through a heightened sharing of information with the WSIB's new CEO and senior management team.

I would like to point out that this relationship between government and the WSIB has worked, and will continue to work, with the goal of operating an accountable and enduring workers' compensation system. Despite its difficulties and debates, there does appear to be consensus among stakeholders that no other model of compensation exists that would provide the same certainty to workers, without the potential for huge liabilities on employers, where workplace injuries or fatalities occur.

As partners with the board and others in Ontario's health and safety system, we are maintaining an effective workplace injury and fatality prevention program, a program that has provided positive results for the people of Ontario. And we want to make it better. That's why Tony Dean is chairing an expert advisory panel to review the province's occupational health and safety prevention and enforcement system. He will lead a panel of safety experts from labour groups, employers and academic institutions to recommend options to the minister for improving the system that focus on injury prevention.

As Deputy Minister of Labour, my team and I will work with the president of the board of the WSIB and his team, and our mutual workplace stakeholders, to ensure the long-term financial sustainability of the workplace health and safety system for future generations of workers and employers.

The Chair (Mr. Norman W. Sterling): Thank you very much for your presentations. We'll now go to questions. Mr. Shurman, you are first.

Mr. Peter Shurman: Thank you very much for all of the presentations.

Deputy Minister, this unfunded liability which we're exploring today and which is of growing concern to a number of interest groups—the Auditor General has said that this could be legitimately integrated with the consolidated financials of the province or, in other words, added to the provincial debt on some level. Is that a fair statement, and is that something that has been discussed at the ministerial level and/or with the board?

Ms. Cynthia Morton: It is the subject of ongoing discussions currently between the WSIB, the Ministry of Labour and the Ministry of Finance. As I said, I believe the Ministry of Finance is scheduled to come and speak to that issue in April with this committee. It reflects, I think, the Ministry of Finance's assessment, based on the Auditor General's advice, of whether the trust provisions apply to the WSIB as much as they do to other private and public sector trusts that have been recognized and reflected in the CRF.

Mr. Peter Shurman: That comes down to kind of an existential question: What is this? Is it a trust? Is it a corporation? Is it a—what? What's your opinion, and what are your opinions?

Ms. Cynthia Morton: My opinion is largely uninformed because it is—

Mr. Peter Shurman: That's not editorial, by the way.

Ms. Cynthia Morton: It is one, really, that has to be dictated by looking at auditing and accounting principles that the Ministry of Finance and the Auditor General are going to have further conversations about. We speak to the control levers in the Workplace Safety and Insurance Act and how we exercise them. We think we exercise them in a way that does allow the workers' compensation system to make the important decisions it must in terms of its fiscal strategy and its service delivery.

If we need to change them, then we're certainly open to that conversation. I think we'll be back with a plan with respect to the role of government and the workers' compensation system by the fall that addresses all of these issues that have been raised by the Auditor General.

Mr. Peter Shurman: Okay. Let me move on to the issue that you alluded to, Mr. Mahoney. You talked about the fact that you had held consultations with stakeholders. To some lesser extent, so have I. What I am hearing is that stakeholders are concerned with the lack of a report, or at least they, having heard back about the existence of a report—the last that I heard, and this is within the past week, was that this was being edited. But you mentioned that a report—and I'm not sure if it's the same one—has been posted on your website. Could you comment on that and give us a bit of a look-see at the substance?

Mr. Steve Mahoney: Sure. When I launched the idea of having this multi-stakeholder consultation, it was about January of last year. I had hoped at that time to be completed in about six months' time and issue a report. I found it extremely difficult to hit that target. We held over 45 individual meetings with stakeholder groups and had over 75 written submissions, and an awful lot of work has been done on it. The report is now available

and, I admit, only recently—I believe as of yesterday—on our website.

I too was anxious to get it out and get the work completed, but it's very complex and I wanted to be sure that I covered all of the issues that were raised by the stakeholders. That is the very nature of this, that in a different way, we are looking to take the ideas that stakeholders give us, recognizing that we don't have all the solutions to the various questions and problems, and set up a more formal process to discuss these ideas with all of the stakeholders and see if there are ways we can move forward on them.

The report is ready; it's available on our website. I've already, today, received endorsements from a number of stakeholder groups who have written in to my office; I believe they copied the minister. There seems to be some general acceptance of the go-forward methodology.

I've also had extensive meetings with our new president, which, frankly, was another reason that I wanted to hold back on the premature release, because I wanted to have an opportunity for the new president and CEO to take a look at the document, to become familiar with it, and to share some of the ideas with him that I heard from the various stakeholders.

It has been delayed—I acknowledge that—but it's now available.

Interruption.

Mr. Peter Shurman: I don't know when that stops and you start.

Interruption.

Mr. Peter Shurman: Let me continue, then; maybe we can hear each other over that. You announced in 2009 that the unfunded liability—and this has been mentioned in Mr. Marshall's presentation—would be retired by 2014, but you backtracked when you later admitted that that was not going to be possible. You have made no other comment that suggests you had or you have any kind of a strategy that gives us a new date or an approach. Mr. Marshall spent considerable time, I suppose, expanding on that same premise. Do you actually have a strategy or an approach that you favour for retiring the unfunded liability or not? If so, share it with us. If not, why not and when?

1320

Mr. Steve Mahoney: I address that in the report in that rather than more or less just picking a date out of the blue, or based on the strategy that we have, which is a 7% reduction of lost-time injuries, a 7% return on our investments, a better reduction of the growth in health care costs—all of these items are included in the strategy that has been there.

The target of 2014 was not set by me; it was set in 1984. I felt, when I arrived as the chair in 2006, that based on the data, the returns, the progress that was being made at the time and all of the information that was being presented to my board by our staff, 2014 or very close to that was still achievable.

Mr. Marshall has outlined the impact of the financial downturn in the economy, and one of the items that I deal

with in my report is not a shock to anyone or news to anyone—that 2014 is not achievable. It's not the first time I have said that to stakeholders. We've been admitting that, due to the losses in investment revenue alone, 2014 is not achievable.

Rather, though, than dictating a date or simply putting a finger on a time on the calendar, if you will, I'm suggesting that, as part of the more formal process of consultation with all of our stakeholders, we work it out together and that, I believe, as the deputy has said, by the fall we will develop a comprehensive go-forward plan that should include that aspect as well.

Mr. Peter Shurman: So you expect—and I'm talking now particularly with regard to the private sector employers, which is where the real problem lies—that the consultations that you've started would be ongoing and that the strategic approach—and you gave us 7% and 7%; a 7% return and a 7% reduction, was it?

Mr. Steve Mahoney: Yes, a reduction in lost-time injuries.

Mr. Peter Shurman: And also that a reduction in long-term payments—a tightening up of the belt, if you will—is still achievable. Do you think that there's a strategic approach to things that encompasses those numbers on a go-forward basis?

Mr. Steve Mahoney: I really want to give all of the people who have done tremendous work in this consultation process the opportunity to sit with us, to get reports from our staff and to analyze the impact.

One of the real benefits of this consultation process has not only been the many different ideas that have been put on the table by our stakeholders, but it has also been the learning process that our stakeholders have undergone in learning about the complexities of the compensation system itself.

In the past, one of my concerns, when I announced the consultation, was that there was a methodology of consultation at the WSIB in days gone by where we would simply tell stakeholders what our goal was and then have a meeting that was called consultation but, in fact, was mere education. We wanted to change that, and that's what I have set out to do: to make sure that it's meaningful consultation; that we listen to the ideas; that we discuss them, we research them, we debate them, not ad nauseam, but to the point of ensuring that we get the best input available from the various groups.

There are some very well-financed, very knowledgeable organizations in the construction industry and in the manufacturing industry. Yesterday, I was speaking to a group in Waterloo in the automotive industry. These people have tremendous knowledge and input, and I think they're the people, including the labour movement, I would add, who, every day—I've had many meetings. In fact, I had a meeting scheduled with the new head of the OFL, Sid Ryan. We have talked, but unfortunately his wife, I believe, had a health problem and we've had to postpone that meeting, but it's coming up.

I want to hear from all sides on this thing. Rather than just simply telling them what the date is or what the chart

looks like, we want to involve our stakeholders in a very meaningful way.

Mr. Peter Shurman: It's a lofty goal, and I applaud you for it, because at the end of the day, you can consult until the cows come home, but if you don't come to some conclusion that works on all our behalf, then we have a big problem.

You made a statement sometime within the last year, and I'm quoting here: "Any allegation that we're close to financial ruin is outrageous." If you were a private insurer, you know that you'd be toast. You can't do that on the private side and get away with it, so on the public side we have to take a look at it. The Auditor General did express his concern about the lack of business principles applied at WSIB. Again, that is a quote. Is that a justifiable concern?

Mr. Steve Mahoney: If we were a private insurer, we would not be allowed to carry an unfunded liability. They're regulated—

Mr. Peter Shurman: That's the point.

Mr. Steve Mahoney: Let me finish, sir. They're regulated through Ottawa. If that were the case, then we would take the one third of the premium that is allocated toward servicing the unfunded liability, and that would reduce the unfunded liability by a substantial amount. We do not use that figure in the calculation today, because it's there for ongoing servicing of the UFL. So the problem we would have, as my actuarial folks have pointed out, is that once we took that out of the premium and used it to pay down the unfunded liability, there would still be a very substantial amount left over. The only option we would have at that point would be a dramatic increase in premium rates. I don't think that's acceptable. That's not something that my board wants to see happen. So we do need to work together.

I do not believe that the WSIB is in financial ruin or even, as Mr. Marshall has pointed out, in financial crisis. I do think, and have thought from the day I arrived in the chair's office, that there's a very serious problem with the unfunded liability.

The real benefit to eliminating the unfunded liability is that it would free up the one third of that premium, which could then be used to either reduce premiums or increase benefits, or a combination of both. So it's a target.

We're working together. I'm actually very confident, with David's help and our entire staff, and working with our stakeholders in our new process of consultation, that we're going to arrive at a date. I see 2010 as being a transformative year, and you can quote me on that if I'm still around in 2011. I think 2010 is a very important year. With our new president on board, with the stakeholder consultation report available, with the very co-operative relationship we have working with the Ministry of Labour, I think we're going to see a new strategic plan.

Mr. Peter Shurman: When would you expect to be able to say, "We have this new strategic plan, and by the way, the end result is this new date by which we will

reduce the unfunded liability to some number or we'll have a new plan to deal with the UL"?

Mr. Steve Mahoney: Very simply, I reiterate my point that I want the opportunity—my report has gone on our website as of yesterday. I want the opportunity for feedback on the report. I would encourage and invite all members of the committee to have a look at it and share any comments or suggestions that you might have. I'd be all ears. But I want to meet with our stakeholders. I am not going to dictate some prefabricated date based on figures that have not had full discussion and opportunity for the stakeholders to have input.

Mr. Peter Shurman: The Auditor General says that if every single worker in Ontario were covered and employers were paying the freight, you still couldn't meet the unfunded liability. That's a very significant statement.

We know that Bill 119 extended coverage to construction. That was clearly an effort to address a huge need for cash, but it is vastly insufficient, if that's what you were depending on—I know you weren't. Can we expect that, however—and maybe this question is better directed to you, Deputy Minister—to be a scene-setter for future WSIB expansion or extension to pervasive coverage of Ontario workers?

Ms. Cynthia Morton: I think the ministry is open to discussing any and all of the levers that are affecting the fiscal strategy, going forward, for the WSIB. Whether those are within our purview or within the responsibility of the WSIB itself, we're prepared to look at them and assess whether in fact there's a need for change.

With respect to the timing for looking at those issues and coming to some conclusions, we're looking to the fall of this year to have a framework going forward.

Mr. Peter Shurman: So if I'm reading between the lines here, you're not closed to the consideration of bills like Bill 119 covering other aspects of Ontario labour life. You're not saying you're doing it, but you're not saying you're not.

1330

Ms. Cynthia Morton: We're not saying we're not doing anything at this point. We have to do the analysis. We have to consider the options. We have to see how the levers interact with each other, what makes the most sense for Ontario and the workplaces of Ontario. It's all on the table for analysis, assessment and, indeed, advice from stakeholders, as the chair has noted.

Mr. Peter Shurman: One final question for you, Mr. Mahoney, and you, Mr. Marshall, if you care to add to it. Another quote: "We are giving fair warning that if the unfunded liability is not addressed, premiums will increase." That was you, Mr. Mahoney. Who were you warning and what time frame were you talking about?

Mr. Steve Mahoney: I believe that was taken out of a letter that I sent out to employers who in fact were receiving an increase in their premium when we changed our format somewhat for 2010 premiums. It was my view that it was the vast majority of employers in the province who were doing a good job in the area of health and

safety, and I had some difficulty personally in supporting a premium increase to a company that had done a good job in health and safety and shown good results. So we changed, for 2010 rate-setting, the way that we calculated the future premiums for 2010; we do this in 2009 to set the 2010 rates. What we arrived at was that 36,000 companies out of the 238,000 that we cover were in fact below the bar, if you will, in terms of their record, or more importantly, they were in rate groups that were below the bar. And 202,000 were above the bar and achieving good success in their health and safety, so those that were above that bar received zero increase in their premiums, and the 36,000 that were identified in the poor-performing rate groups got an increase. So that's really where that came from.

But the point of my letter to those 36,000—there was a lot more in it than that statement. We have realigned the health and safety associations. We want these 36,000 companies that are receiving a rate increase in 2010 to be on the other side of the ledger, if you will, or to be above the bar next year and to work with our health and safety associations to improve their lot. I believe one of the issues that I have identified, in fact, in the consultation is that the larger companies that can afford the full-time employees, health and safety folks and things like that, don't seem to have as much of an issue as the smaller to medium-sized firms, where it's seen as a financial burden for them to have full-time staff on board. Where that occurs, we would like them to work more closely with the realigned health and safety association.

Included in the cost of their premium is a package or a bundle, if you will, of health and safety programs that are available to those companies at no additional cost. As was pointed out yesterday morning in my delivery in Waterloo, one of the questions came out about this very issue and the questioner was surprised when I told him that they would not have to pay, for example, IAPA, who have now been rolled into a new organization—that they would not have to pay for additional health and safety services, and that those services would be available to them at no additional cost. It's included in their premium. So it's a whole package of things to try to identify to those 36,000 firms that we think they can do better and we want to help them do better.

Mr. Peter Shurman: That's fine, and I appreciate the explanation. Let me get you to just expand a little bit on it. The implication read from that line in the letter by people whom I've spoken to seems to be that it was a threat—not a nasty threat, necessarily, but the facts of life are you've got to fund things from somewhere. So it seemed to people, and I'd like to hear your thoughts on this, that what you were warning of was the possibility of an across-the-board rate increase to employers, notably at a time where employers are just not looking to spend any more money on anything.

Mr. Steve Mahoney: I wasn't doing that, but I was just simply saying, and I think the auditor points out in his report, that premium rates have not kept up in that regard. It's clearly an issue that needs to be addressed.

What I would like to do is find a way, going forward, and I know my board supports me on this, where we can recognize the good performers. There are many companies that have had one million, two million, three million hours without a lost-time injury. Some folks in the labour movement would say it's because they're not reporting their injuries, but we've looked into that. There are many companies that in fact have excellent records in terms of health and safety, who work with their unions, who work with their staff, who provide safety equipment, who have joint health and safety committees, who keep minutes etc.

We think it's important to recognize that, and keeping their premiums down is one way of doing that. So the statement that you quoted, taken out of the letter, certainly sounds harsh, and it was not intended to be. I did answer some phone calls and some e-mails from some angry folks who thought I was being a little bit belligerent. That was certainly not my intent.

Mr. Peter Shurman: Thank you, Mr. Mahoney, and thank you, Chair.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: I just have one question, and then I think my colleagues have some questions.

My question is to the President and CEO, Mr. Marshall. In the conclusion of your remarks, you made the following statements: "Eliminating the unfunded liability must be dealt with, or at least an acceptable level of funding found." You then went on to say, "Everything is on the table" in terms of solutions. The next point you made was that you were looking at some very "tough decisions," and your last sentence in your remarks was that it was important to "find the right balance." My question is: What do you think the right balance is and, second, how do you get to that right balance?

Mr. David Marshall: You're quite right in referring to the fact that I've said, "Everything is on the table." In doing that, I deliberately put on the table whether there should be full funding or not. I think, as an honourable member has pointed out, that when you look at trying to find \$11 billion in a short period of time, it could pose an impossible kind of burden on businesses, especially since the majority of our clients or our people who fund us through premiums are small and medium enterprises. So the issue of trying find a balance to get to a place where you're more healthy than you are today, whether you can get to full funding right away or not, is something that, as the chair has pointed out, we've got to take advice and consultation on. We'll be talking, of course, to the Ministry of Finance and a number of other people to see what the right balance is. Obviously, we want to start with, let's get fully funded. Backing up from that point, what steps have to be taken, and then have to be recalibrated, to bring a package together that makes sense? That's really what I meant.

Mr. David Zimmer: As an experienced executive, civil servant and banker, what's your personal philosophy on this issue of getting the right balance and what the balance is?

Mr. David Marshall: If you ask me, I think I'd like to get to full funding or maybe even a little beyond, because you can't predict what can happen. As I think I pointed out, it's going to take some years to get the fund back on track. It took almost 25 years to get it to 70% funding from 31%. You can't predict what might hit you over the years to come, so I think you do need a cushion. That's my philosophy. I would like to see full funding, maybe even a little beyond, but I'm going to consult with stakeholders, see the art of the possible and get the best possible combination to bring forward.

1340

Mr. David Zimmer: Do you have any preliminary views, leading into the consultation, as to how you might get to that balance? What do you suspect might be the right road to getting the balance?

Mr. David Marshall: I guess I always start from where you are, and I try to make sure that I'm trying to understand whether you're making it worse or better. You have the past; let's make sure we're not making things worse from here forward.

In trying to look at that aspect of our operation, what I found was actually quite encouraging. If I look at the premiums we are collecting today versus the payments we make today, both for administration, the claims that are due this year that are ongoing but that we have to meet this year, I find that we in fact have a surplus. So we're not making the unfunded liability worse. We're okay, if you want to call it that, today, and that's encouraging. The issue is how you deal with the fact that revenue wasn't sufficient to meet your payouts until now, and you have this liability.

In addressing that, one of the things we can operate on, if you like, that everybody agrees we should operate on, is trying to get workers back to work earlier than they have been. That rate has been slipping badly, and you can assign all kinds of reasons.

What we're finding is that employers are taking on workers who have been injured, in order not to report lost-time injuries and therefore suffer a penalty. And then, after a certain window of time, a three-year window, we find that worker coming onto our books to be compensated. Now, that window happens to coincide with the window in which employers are judged as to whether they should get a penalty or get a refund. Once the window is over, the worker comes back on our books.

That's three years after the injury, so now you've got a worker who has to somehow be helped back into the workforce, given training, given help with the issue. There are all kinds of social and cost issues.

This is the kind of thing we need to be able to get at—that we can control, if you want to put it that way—and that everybody agrees we should control. I would say that's an encouraging aspect, if you want to call it that, in the sense that there is something concrete that we can do.

As I've shown you in the chart, the workers who come onto your books and are going to be staying there for 40 years are the most expensive. So we want to get them back to work, and even last year the group has already

been doing a new service delivery model designed to assess the situation for a worker holistically as early as possible, and also to adjudicate claims quicker so that you can get to the issue before it starts to become a long-term and entrenched problem.

I think we want to tackle those things vigorously for sure. I'm going to challenge our team as to how much we can do down that path, whether we can reduce our rate of long-term beneficiaries by half. What would that do to our income stream?

Then of course, there are all the other levers the auditor talked about, and questions have come now. Should you expand coverage to include more workers? All the other provinces do. Should Ontario do it or not? Our premium rates: What should we do with premium rates? Probably very sensitive, because, as I say, the economic times are not great. But you've got to balance the books, so what's the answer? That's what we're going to—we'll set out some of the bones of it, and then we'll head out and start talking to people and come back and propose.

As I've said, there will be tough decisions. You're not going to find \$11 billion hanging around. There will be tough decisions.

Mr. David Zimmer: Thank you, Chair. I think my colleagues have some questions.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: I think this leads into where I wanted to go, talking about claims duration, because you were already touching on that somewhat.

You've given us a chart here which is predicting, if you have a claim today, where the cost falls in terms of the "out" years. From your remarks, Mr. Marshall, and from some of the auditor's, it looks like the experience over the last several years has been that the actual duration of claims is, in fact, growing from what it might have been. I wonder if you can offer any insight to the committee on the different reasons—and I'm guessing that there might be more than one—why we're experiencing that increase in claims duration. Then I've got some follow-up.

Mr. David Marshall: Mr. Chair, I have—

Mrs. Liz Sandals: If you would like to include your staff who know all these things, feel free.

Mr. David Marshall: I appreciate that. I do have, if you like, a 30,000-foot view of this in the few weeks I've been there, but I think you probably would benefit from a more substantive answer. I wonder if I could ask, Mr. Chairman, our chief operating officer, John Slinger, to join our table?

The Chair (Mr. Norman W. Sterling): Certainly.

Mr. David Marshall: John, did you hear the question?

Mr. John Slinger: I did. It was an issue that we took a number of years to unfold. I think Mr. Marshall referenced the fact that when legislative change occurs, it often takes a long time to understand what the impacts are of those changes. Sometimes, those impacts aren't

what you expected or aren't what were intended by the changes.

When we started to see the long-term claims go to the legislative lock-in point in higher numbers than had been the case in the previous legislation, we brought in the Institute for Work and Health to assist us in a study of those long-term cases to understand what the drivers were. They identified three major drivers.

The first was the legislative change that occurred in 1998, which was really quite dramatic. It had been a system in which there were prescribed legislative interventions very early on, an internal system of vocational rehabilitation and a number of built-in review points, all intended to keep the worker and employer very close to the WSIB. In a review that was conducted prior to the 1998 changes, recommendations were made that, in fact, the board was too involved and that if you simply left it to the workplace parties, they would achieve the best outcomes, and that you should simply rely on your incentive programs and things would by and large work out. If they don't work out, the suggestion was that you could arrange for labour market re-entry services.

The impact of all of that was the creation of an outsourced labour market re-entry program and about 400 vocational rehabilitation folks ceasing to be internal. There was a clear distinction made that the employer and worker would work together, and if they couldn't arrange anything, it would go to an outsourced labour market re-entry program to assist the worker in retraining. Of course the board's model for service followed that. It was very clear to the Institute for Work and Health that that had had a very significant impact.

But it wasn't the only thing they found. They also found some significant changes in health care, especially prescriptions for narcotic medication, especially OxyContin. This probably doesn't come as a surprise to a lot of people around this table because I think we've been hearing a lot more about it, but it was clear that there were increases of the magnitude of 100% in prescriptions for narcotics and a higher daily dose for narcotics and prescriptions earlier and earlier in a claim. Certainly, a lot of the studies that we have reviewed suggest that the long-term outcomes for workers are not positive. Again, the kinds of medication we're talking about are highly addictive.

1350

The third major piece was the WSIB's incentive programs. Of course, when you go to a self-reliance model, your incentive programs become especially important. What the study found was a growing trend towards workers re-entering the system, sometimes years after the original injuries. For example, the institute found a strong correlation between increasing durations and higher rates of recurrence—and this is where a worker goes back to work but then returns to the system—especially at later points in the claim.

They also found that second-injury enhancement fund relief, which is used to reduce an employer's cost in the case where there's a pre-existing problem, had risen

again by 100% over that 10-year period, to the point where we were actually relieving employer costs for the purposes of experience rating by 31% of our total costs, again diminishing the overall incentive to the employer to take the injured worker back and to sustain that return to work over the long term. The suggestion was that when we went to a self-reliance model, employers, in some cases, became self-reliant, not in ways that necessarily achieve positive results for injured workers.

Those were three very critical findings, all of which we have used in developing a number of the responses that we're pursuing right now.

Mrs. Liz Sandals: So to follow along, if I'm understanding correctly from some of your comments and some of the auditor's comments, you've got self-reliance, medical prescriptions and the incentive model.

Let's start with the meds. Because clearly you're not the doctors, is there anything you can reasonably do to intervene in that change of practice by doctors to get into prescribing these painkillers?

Mr. John Slinger: Our model is that workers are treated by community physicians, and community physicians prescribe medication. In the ordinary cases, we, of course, go along with whatever the doctor recommends.

Shortly after this report came out, we developed an external drug advisory committee. We started looking at formulary changes we could make to actually limit the narcotics that were being prescribed, both in terms of the nature and the timing of those prescriptions—

Mrs. Liz Sandals: So if it's the WSIB that's covering the drugs, you may be able to do that in terms of what you're covering?

Mr. John Slinger: Correct. That's right. We got some excellent advice from our drug advisory committee. We then approached the Ontario Medical Association and worked with them, and towards the end of last year, in fact, came out with a new formulary, which is very much a narcotic-control formulary and limits the narcotics that can be prescribed at different points in a claim.

We looked at what other provinces do. Some do more than others, but we're satisfied that this is probably the most aggressive narcotic-control program that now exists with any workers' compensation system in Canada.

Mrs. Liz Sandals: Good. So that's a creative way to get around something that's clearly outside your normal mandate.

The self-reliance model: If that was legislated, is there anything you can do in terms of whatever flexibility you do have without having to reopen the legislation—to work within that?

Mr. John Slinger: I think that's an excellent question. While we certainly have seen some negative impacts as a result of the legislation, it is very much the legislation we are working with, and we need to take appropriate steps within that legislation.

What we did, in introducing a new service delivery model—we started rolling it out in late 2008 and completed the rollout in 2009—was to develop some

specialty programs and specialty positions in front-line roles and set mandatory review times.

We created, for example, return-to-work specialists who are now in the workplace; they didn't exist before. We are making decisions. Because of a new eligibility specialty role, we're now making—I think the number is close to 90% of all decisions within two weeks, because we found from the institute's study that the longer it takes us to make an eligibility decision, the less involved the parties are in discussing the return to work. It's more about eligibility. That has certainly helped.

We have seen some early improvements from those changes. We have seen some duration improvements at the front end, but it's really based on designing some roles that could be much more interventionist. So the self-reliance model we're getting away from in many respects—

Mrs. Liz Sandals: So you now have an interventionist self-reliance model.

Mr. John Slinger: That's correct. But I think the key is still having an incentive program that works effectively. For example, we have created a centralized team to do all of the second-injury enhancement fund relief decisions. It was previously spread out among 600 case managers. We needed to get real control and consistency and discipline around what we were granting second-injury enhancement fund relief for, because that can act as a disincentive to return to work. So we've created a specialty team. We're monitoring those decisions, and certainly we're seeing those numbers come down. We're seeing much more consistency in those decisions.

I think the area that we're really moving to now, consistent with the other changes we've made, is the labour market re-entry piece, which is the other very significant change that occurred through legislation. The value-for-money audit that has just been released that KPMG performed, in our view, is critical—

Mrs. Liz Sandals: And what did they look at precisely?

Mr. John Slinger: They looked at the effectiveness of our labour market re-entry program in the context of best practices for injured worker reintegration into the workforce. They looked at a number of different jurisdictions. I think they provided some very sound advice.

One very important finding was that more needs to be done to reconnect the worker with the injury employer, that the opportunities for workers to be successful with other employers are not nearly as good as with the injury employer. Instead of this division between returning to work with the injury employer and then retraining and working for another employer, we need to look at that as an integrated whole because, if it takes retraining to get the worker back to the injury employer, that's what we should be doing. We shouldn't be losing that connection. That was certainly a key.

There were other things around greater accountability with our providers, more monitoring, more choice for injured workers, a better complaints-handling system, those kinds of things, but from our point of view one of

the key pieces is this notion that we can't separate those two. They need to be integrated. Again, it isn't what the legislation suggested, but it's certainly what all of the evidence is now telling us we should do.

The Chair (Mr. Norman W. Sterling): We're going to move on to Mr. Miller at this present time.

Mr. Paul Miller: Welcome. Good afternoon, everyone. I see in the auditor's report that he has mentioned that cost reduction measures are needed on the operating costs of the board to meet future obligations. Mr. Marshall indicated that he was happy with what's going on in the board as far as administration goes and the departments. I don't know if I share that opinion. I have some concerns, and I've mentioned it many times before. I have grave concerns.

I believe in your opening remarks you mentioned experience rating. I think this is a horrible system. It's costing plenty of money for the WSIB to pay out bogus rewards to companies. Even some of these companies under our investigations have had fatalities, and when we brought that forward last year, the board finally said that they would penalize the company for one year on their rates and things like that.

So I want to know if the new CEO is going to eliminate experience rating and also eliminate the process of deeming, which has had a negative impact on injured workers. Are you prepared to handle that?

Mr. David Marshall: I'm certainly prepared to look at it. I don't know where the conclusion will be. We've got to make sure that we understand all aspects of these issues. I've said already that the experience rating system does need to be looked at, and I think that's the view of a number of people, and we will be doing that.

The issue of deeming I'm not really that sure about, and I will defer that to our chairman, but I can assure you that every line is being looked at.

Just in terms of administrative expenses, there are numbers that are quite publicly available that show that Ontario WSIB's administrative costs as a percentage of premium revenue are the lowest among all the provinces in Canada. So I think they've done a reasonable job on that score.

Mr. Paul Miller: In reference to that also, they have taken in more money and seem to have a lower percentage right now at 53% of unfunded liability, yet they took in twice as much as the province of Quebec in actual premiums, so I'm not quite sure. They only had 329,000 claims and the province of Quebec had 175,000. That's not a big difference between provinces as far as the number of claims, I think, especially when you take in double the revenue. I'm not quite sure where the money's going or where it's being spent in those situations.

1400

You showed us a chart here of 1983 and on. I know that when I went to work in the early 1970s for the job I spent 30-odd years at, the very week I started in that job, I had three opportunities to start apprenticeships at three different places: Westinghouse, Firestone and Stelco,

who are all gone. They employed in the neighbourhood of 32,000 people in the city of Hamilton. I think Stelco, which is now US Steel, is down to about 2,000. You probably have got less fees coming in, there are fewer people working now, there are more companies leaving Ontario, so that would probably play a big role—it's beyond your control, mind you, but it does play a big role in the lack of income for the board. That's not really dealt with or mentioned in here.

I would also express and ask you a question. You were quite proud of the fact that in 1983, it was 49.3%. Here we are in 2010 and we're at 53% or less. That, to me, is not a great improvement. I see that in the late 1990s to 2002 era, the highest we got was 66%. Can you explain to me why the other provinces always maintain a higher level than we do? I realize we have more people, but from what I can see, they are mandated by legislation to keep their levels at a good percentage. I don't know how you could possibly be happy with 53.5%. In fact, with our pension plan at the Steel Company of Canada, the alarm bells are going up now. We're at 51%, and we're usually funded at 80% or above and have been for many years. Our defined pension plans are under attack too, so you're not alone in that area.

Maybe you can answer that, why you're happy with 53.5%.

Mr. David Marshall: I'm certainly not happy with 53.5%. What I was trying to illustrate with the chart was that the WSIB directors, in consultation with stakeholders back in 1984, set a trajectory to get into fully funded status by 2014. What this chart shows is that they were making pretty good progress towards that goal. In 2006, for example, they had reached 73.2% funding. We're on target to reach 2014. I was just trying to show that there was a plan, it was on target, but it got blown off by the recession that has occurred all over the world.

I'm certainly not happy with 53.5%, and that's one of the reasons I took this job: to see if I could put my shoulder to the wheel and make a difference.

Mr. Paul Miller: I'm counting on you.

That comment dovetails nicely into my next question. I see in the auditor's report that \$3 was the premium back in the early 1990s, and it has dropped to \$2.26 as of 2008. I'm not a businessman—I'm from a labour background—but common sense would tell me to ask: Why wasn't it maintained at \$3 for the bad times? Why were all governments interfering with the WSIB—and they do on a regular basis to gain votes or to win elections—"We're going to lower the business rate for you." I think that's wrong.

They keep telling me in the Legislature, and I have trouble absorbing this, "We're a standoff overseer. They're a stand-alone entity." I don't think so. It doesn't appear to me—I think they're really involved, and I don't think the government in any province should be that involved in setting premiums—which you mentioned, deputy minister: that the government does set premiums. They're not running the day-to-day operations; they don't know what they're up against. I'm not quite sure any of

them are aware of any forensic audits, and I imagine if you asked any member of the government, they couldn't give you any details on a forensic audit.

I think it's out of our element and I think that the government should not be involved. I don't know why they are, and maybe you can explain to me why they're involved.

The Chair (Mr. Norman W. Sterling): I think the deputy might want to comment at this time.

Ms. Cynthia Morton: Just to clarify, I did not say that the government was setting premium rates. The government sets benefit levels and assesses coverage by way of regulation.

Mr. Paul Miller: Okay.

Ms. Cynthia Morton: It is solely the decision of the board of directors of the WSIB—

Mr. Paul Miller: To set the premiums?

Ms. Cynthia Morton: To set the premium rates. Absolutely.

Mr. Paul Miller: Was someone asleep at the switch? Mr. Mahoney, would that be a fair statement? Letting it go from \$3 down to present levels—if I'm not mistaken, in this report it said that we would be at a \$4-billion deficit at this point, as opposed to \$11.5 billion, if we had left it at \$3. Would that be fair?

Mr. Steve Mahoney: At one point it was \$3.20, and I think we would have been in surplus had it been left. But hindsight is pretty good, pretty easy.

I guess part of the problem is, and it's hard for us to speak to either who the government was in the early 1990s or who the chair or the board was, but decisions are generally made based on a number of factors when you're setting a premium. One of them is the impact on the economy. When you're in tough times, you try—at least, our current organization tries not to drive business out of business by raising premiums too high.

Was someone asleep at the switch? Mr. Chairman, through you to Mr. Miller: Your guess is as good as mine as to why that happened.

Mr. Paul Miller: Yes, well, I can see your point, but good business sense—the WSIB is a public venture but I do believe it's supposed to be run by business people or should be run by business people who foresee downturns in the economy, foresee global recessions. These are all factors that we've all gone through, right back to the Great Depression, so it's not a new thing that has happened.

I think that contingency funds are important for the bad times. I'm not quite sure that was done properly. Sure, like you said, I can complain now when it's all over and we're in trouble, but I think that's one of the biggest problems. In my short tenure at Queen's Park, I've seen a lot of this poor planning for the distant future, for the possible hard times. Maybe that's another thing government could look at to put you in a less vulnerable position for criticism as far as setting you up for these types of meetings where you have no control over a global economy.

We do have control over internal policies. You do have control over experience rating and things like that. I for one would think that an employer in this province should not have to be rewarded for a good safety record. Yes, you can give them a plaque or you can give them a nice golden, I don't know, polar bear, but they don't require millions of dollars for keeping their employees safe. That should be a built-in want of an employer.

You know what the worst part about that whole situation is? They don't use their rebates to improve the safety situation. In fact, in a lot of cases—and correct me if I'm wrong—the board doesn't get the reports they should get from the injured employees. A lot of employers say, “Look, you come in and answer the phone, Mr. Miller. Don't report your accident. Then my premiums will be better and I'll get a better experience rating cheque at the end of the year.” That happens. It has happened to me so I know those things go on. That's another thing the board could look at to save themselves a lot of money.

As the new CEO, I hope that you're going to go after these types of expenditures that are uncalled for, not needed. I could go on forever, and I won't, on that situation.

The Chair (Mr. Norman W. Sterling): Mr. Miller, with your deference, could I just ask one question, because it's a key question that I would like to see the committee have a response to, and that is: Under the Workplace Safety and Insurance Act, as the auditor has pointed out, “The board has a duty to maintain the insurance fund so as not to burden unduly or unfairly any class of schedule 1 employers (generally all private sector employers) in future years with payments under the insurance plan in respect of accidents in previous years.” The board is challenged, or required by legislation—and I believe that this act was preceded by a similar suggestion—

Mr. Paul Miller: You owe me. You're cutting in on my time.

1410

The Chair (Mr. Norman W. Sterling): I'm not cutting in on your time. We'll take it out of the PC time.

Mr. Paul Miller: Okay.

The Chair (Mr. Norman W. Sterling): What I am concerned about is the same thing Mr. Miller is. I've been here for all of this period. I was in Bill Davis's cabinet in 1984 when we had this 30-year to plan to solve it in 2014, and we appear to be no further ahead now.

You're using the economic downturn as an excuse that you're down to 53%. Quite frankly, I don't buy that. Your improvements during the good economic times are not good enough. One year you had 16% return on equities, and your number didn't jump high enough. The economic downturn is not an excuse to legislators who want this problem solved in the long term. How do we prevent this same meeting happening another 20 or 30 years out?

I believe that the problem is the relationship between the boards that the governments, present and past, have

appointed—will not act independently. How do we call them to account to the people?

Mr. Steve Mahoney: I suspect there are a lot of people—to your point and to Mr. Miller's earlier point—who would have been delighted had they predicted the downturn in the global economy. I don't think anyone was immune. While not citing that downturn as the sole reason or as an excuse, the WSIB is not an island. We were impacted fairly dramatically by the downturn in the economy.

What's really interesting to me, though, is that the only time the WCB was ever in full balance of its liabilities was day one, when Justice Meredith opened the doors 100 years ago, plus or minus. One of the things that was done for compensation boards across the land was to give them the ability to carry an unfunded liability, and the reason for that, as Mr. Marshall pointed out in his presentation to you earlier, was that employers do not have to pay the full costs of the injury as it goes year by year, month by month, week by week. In fact, they can defer some of those costs, and those costs then generate your unfunded liability.

So if we want to change that system—what's happened in Alberta and British Columbia, for example, is that once they achieved full funding, they passed legislation that said that they can never go into a deficit-funding position again. I believe the Auditor General met with or was involved in discussions with those organizations. What would happen is, there would be an automatic adjustment of premiums. They would either go up or down. In fact, if I'm not mistaken, at the last meeting held here in Toronto of the Association of Workers' Compensation Boards of Canada heads of delegations, chairs and presidents, Alberta reported that they were 122% funded. So they've got a 22% cushion on top of their full funding. If they go into an economic downturn, they can use that cushion to avoid having to adjust the rates.

I think that would be an ideal situation for us to achieve here. Maybe 122% is too high. That, after all, is employers' money, and we are a compensation system, not a bank. But 110% was always the figure that we were targeting in our strategic plan. We wanted to get to the point where there was 110% funding. That is the goal.

At the same time, Mr. Chairman, for someone who has been around as long as you have, you know full well that this has always been an issue—

The Chair (Mr. Norman W. Sterling): That's why I want to resolve it. And we're not resolving it by your answer, because what you're doing is acknowledging that you're not going to get to 100%, and I think we have to. You haven't answered my question, with respect, with regard to the obligations of the board and the responsibility of the board to see that the legislation is followed. They're not following the legislation now; they haven't for 30 years. We have to have some kind of legislation or some kind of mechanism to say to the board: “If you don't fund it, you are liable; you are responsible.” I'm sorry, Mr. Miller.

Mr. Paul Miller: It's okay. Getting back to my initial train of thought here: What percentage of the board's investments would be in the volatile stock market? What are you allowed by law to put into mutuals or volatile funds?

Mr. Steve Mahoney: Could I ask our chief financial officer to come forward: Anthea English? She can perhaps share those specific numbers with you.

Ms. Anthea English: Hello. Our investment asset mix has changed over time. If we go back a couple of years to the beginning of 2008, we had an asset mix that was just under 60% in public equities, 6% in real estate and 35% in fixed income, primarily in bonds. At the beginning of 2008, we realized that we needed to shift that investment strategy in order to reduce the volatility of our returns, while still targeting a long-range return of 7%.

So we started developing a new strategy at that time, in consultation with the very expert advisers whom we have on our investment committee. We developed a new strategy where we are moving towards a mix of returns that will give us the returns that we need in terms of 7% long-term, but with less volatility in the system. So we're moving into private equities, infrastructure and more private real estate holdings as well.

Mr. Paul Miller: Okay. To interject, I guess as long as it's not Bernie Madoff running your portfolio, I'll be happy. I'm thinking here—and it's just a suggestion, or maybe you could come back with an answer—that, because of the volatility of the world markets and what we've seen in the last two or three years, would it not be prudent of the WSIB to think about more fixed assets: more GICs? Three per cent is better than losing 15%. I think your portfolio mix is too high in the—how would I call it—risky end. You seem to have demonstrated to me that you made some changes in 2008 that would be more conservative, but I don't think you've gone far enough.

I think what happened to a lot of the pension plans in North America was the fact that companies were all allowed to play the market to subsidize their private pension plans—I'm not talking about government pension plans. They find themselves winding up pension plans all over North America. So I'm thinking that, with the dollars from the businesses that are paying into the WSIB, they would want to see a conservative investment scheme by the board so that they feel that the dollars they're paying in premiums to you are being utilized to the best of your ability so that their premiums won't go up.

That dovetails nicely into what the auditor said. He said that "the very existence of the unfunded liability demonstrates that, over the years, the province's employers have not fully funded the costs of injuries and occupational diseases, so these liabilities will need to be funded by future employers." With the government's initiative to bring more businesses to Ontario and to make it more attractive, you're not going to want to have a workplace compensation system that's going to increase their premiums. That was one of the biggest problems that was pointed out earlier, that it was kind of

attractive to have low rates for businesses. So today's investments could mean future jobs and companies coming to Ontario with a WSIB plan that was better funded and more secure. Would that be a reasonable road for the WSIB to take?

Ms. Anthea English: In terms of our investment strategy, in fact, the target for our more volatile investments is 15% of the investment portfolio being in public equities. We feel that that is an appropriate level of that type of diversification. On our investment committee, we have extremely qualified advisers who guide us through the process of being able to set an investment strategy that will deliver solid returns with reduced volatility. We feel that we have that directory in place. Of course, it's not in place at the moment. When you're shifting an investment strategy, you don't want to do it overnight because it crystallizes the losses that we have seen in 2008. We are in the middle of the transition to that strategy, and the expectation is that it will take a five-year period. We're now moving into year three of that strategy change.

1420

Mr. Paul Miller: Last year, Minister Fonseca made a presentation to us. At that time, I asked a question which has fallen on deaf ears, and I didn't get a response. I'm still waiting. You worry about operational costs. It has come to my attention more than one time that there are significant bonuses paid to WSIB employees for keeping the claims down, whatever they're doing. No one seemed to want to talk about the fact that some of the executives were getting performance bonuses, if you want to call them that. Is this true? Do they exist?

Ms. Anthea English: In terms of our administration costs, our operating costs, this is an area that we've paid a great deal of attention to. As our CEO mentioned earlier, those costs have remained essentially flat for the last five years.

Mr. Paul Miller: They do exist?

Ms. Anthea English: In terms of executive bonuses, they have existed in the past. They were suspended when we realized that we were in an economic downturn, so there will be no executive bonuses paid for 2009.

Mr. Paul Miller: Could we possibly get a number on the bonuses that have been paid out since 1983? Would that be possible?

Ms. Anthea English: I think I would have to look into the implications of that, but the salary disclosure that is provided publicly for the Ontario government agencies does include all monies that are paid to all members of the WSIB who earn over \$100,000 a year.

Mr. Paul Miller: Including their bonuses?

Ms. Anthea English: Oh, yes.

Mr. Paul Miller: But there's no breakdown for it?

Ms. Anthea English: Not generally, no; I don't believe so.

Mr. Paul Miller: Okay. I'm just curious about that.

They've laid out four different areas where they could solve the unfunded liability. They're talking about increasing premiums, examining administration costs,

and there were two others. I don't have them in front of me, but there were four of them. I believe that the approach was to cut benefits, and there was one other.

Do you feel that at the WSIB, which was mandated originally to provide coverage and health and safety and to protect injured workers, that one is off the list, the one about decreasing benefits to the recipients of the claims or shortening their period of collecting? Is that one of the things that you're looking at?

Mr. Steve Mahoney: Mr. Chairman, perhaps the deputy would like to respond to that particular issue as it's a government issue.

Ms. Cynthia Morton: The lever of establishing the rates of benefits is in the legislation. I think, though, what the Auditor General report has indicated is that the real cost attached is not the level of benefits but how long an injured worker stays on the benefits. Our benefit levels in Ontario are comparable to every jurisdiction in Canada. We're not unusual with respect to the benefit levels that have been established for injured workers in Ontario.

Where we do struggle is the return to work of those injured workers and how long they stay on those benefits, which is why one of the areas where the WSIB is attending its focus is the return to work of injured workers and the responsibilities of employers through the experience rating program to make those opportunities available to them. It's not the benefit levels, I would submit. I think the Auditor General has pointed to duration being the bigger issue, not the benefit levels.

Mr. Paul Miller: The auditor noted, "In using this approach, the WSIB faces a challenge when unanticipated events, such as the recent economic downturn, result in either higher costs or lower revenues than planned. Ideally, such unanticipated shortfalls would be recovered by increasing subsequent years' premiums." The auditor observed that the "average premium rates are 12.7% lower now than 10 years ago." He also noted that "Ontario's average premium rate is among the highest in Canada."

How would you address this problem?

Mr. David Marshall: Mr. Miller, as the Auditor General pointed out, there are provinces that have a legislated mechanism to increase premiums when costs go up. In fact, if you look at Alberta's trajectory, there was a spike in premium rates. We have the liberty and the burden of making that decision at the board; the board sets premium rates. As the Chair has pointed out, the question is: What are we going to do in terms of those premium rates? My sense is that we're going to be looking at them very closely. We're going to have to consult our businesses. We have to keep in mind what is a bearable burden, if you want to call it that.

We are where we are: We've got \$11 billion that isn't paid for, and we've got a whole lot of small businesses and an economically difficult time. So we're going to have to look at all the things that are available to us, to try first to reduce the duration of time, as the deputy has pointed out, to increase prevention efforts, to make sure

the problem doesn't get worse and then try to recover the past in the best-balanced way we can.

One thing I can assure you, Mr. Chairman, and all members present, is that we will come forward with a plan. I expect it will take us at least until the early fall to do so in a proper way after consulting with our stakeholders. The plan will have benchmarks and will have milestones, so we will be able to discuss how we're doing. We'll be able to receive support and advice on what to do should there be variances. But turning a ship like this, which takes years, is going to need the co-operation, goodwill and willpower of a large number of players, and that's not an easy thing to do, but we're going to have to do it.

Mr. Paul Miller: I'd say so. In reference—

The Chair (Mr. Norman W. Sterling): Thank you.

Mr. Paul Miller: Is that it?

The Chair (Mr. Norman W. Sterling): You'll get another round.

Mr. Ouellette.

Mr. Jerry J. Ouellette: Thank you for your presentation. The WSIB guideline essentially states that the board has a duty to maintain the insurance fund so as not to burden unduly or unfairly etc. Then, Mr. Marshall, your presentation specifically stated earlier on that even today "the system is not in crisis. From the figures I've seen, the WSIB is financially able to meet its obligations as far into the future as one can reasonably see, and that means for at least a quarter-century or more."

Putting the two together, what I'm reading here is that I don't think there is urgency, from the WSIB's perspective, that the unfunded liability is a problem. Would you agree or disagree?

Mr. David Marshall: I wouldn't want to disagree with a member of the Legislature.

Mr. Jerry J. Ouellette: Okay, from your own personal perspective.

Mr. David Marshall: This is why I came here. This is a mess. It's got to be fixed. The thing I'm looking at is how. Obviously, we could jack rates up 10, 20, 30—whatever amount you want to—and clear it up, but that's not going to be feasible and it's not even sensible. So we have to work both sides—the cost side and the income side—and try to bring it into balance.

What I was trying to say when I said it's not in crisis is that I think injured workers, legislators and all of our stakeholders should understand that we are meeting our bills; it's not a crisis in that sense. But it is a crisis in a broader sense, because we're hamstrung. We're looking at rates in other provinces that are lower than ours, and we don't have the flexibility to lower our rates. We can't increase benefits, even though they're not keeping up with inflation. So in that sense, it's a very serious problem and we've got to fix it.

Mr. Jerry J. Ouellette: Okay, we'll play the game a little bit. From a banker's perspective, if I walked into my bank and said, "I have 25 years of financial security; am I in a good position?" the answer would be?

1430

Mr. David Marshall: "I have 25 years of financial security"? I don't know. Are you an insurance company? No.

I wanted to make sure that people understood that we can meet our bills. Mind you, we have a taxing capability in our legislation. We can raise money to pay the bills, so that's not the issue. The issue is, what are we going to do to get to financial health?

Mr. Jerry J. Ouellette: The mess that you're listing is far more than just an unfunded liability. It's the actual operations of the entire entity.

You also said, "I found that older claims, especially those that are locked in, make up over two thirds of the current liabilities. Many of them—some 130,000, in fact—date before 1990."

What we're hearing, and I'm sure what other MPPs and elected officials are hearing, from our constituents is, is there anything being done to address this file? The reason I'm mentioning this is because I constantly hear that every time a new file manager comes on, there's an entire review of a file, particularly in this caseload. Is that one of the ways to try to manage this, to re-examine it? These individuals are coming to us on a regular basis, saying, "Why are they doing this? Doesn't this cost them money to redo me for the fourth and fifth time?"

Mr. David Marshall: If I understand your question, are we going to go back over these files again and again—

Mr. Jerry J. Ouellette: What options are being made available to manage the 130,000 cases that represent in excess of two thirds?

Mr. David Marshall: I'm sorry, I'm not sure whether you're saying we're going to take time to look them over again or whether we should look them over again.

Mr. Jerry J. Ouellette: I'm just saying, what options are you using to manage that file, which represents in excess of two thirds of the caseload?

Mr. David Marshall: Okay. John, do you want to just come and help us with that?

Certainly, we're managing them. The issue that I think is important to understand is that many of them are locked in by legislation. In other words, the formula, the benefit, has to be paid; pensions have to be paid. However you manage them, just going to them and cutting them is not an option. That's what I was trying to convey.

John, do you want to talk about the existing inventory?

Mr. John Slinger: I think what you said is exactly correct. The group of 130,000 claims is related to an older benefit system, pre-1990, which pays out awards for permanent disability for workers who suffered injuries that they have not recovered from and that would limit their earnings. Those are lifetime awards, and those workers certainly aren't going to recover. Those benefits are determined by legislation.

Similarly, there is another very large group of cases after 1990 that go back longer than six years from now. Those cases have been locked in pursuant to wage loss

legislation that came in after 1990. Those are, again, cases where we have estimated a future wage loss to age 65 and are compensating accordingly.

The cases, obviously, that we can influence on a number of the things I've been talking about, in terms of service delivery model, experience rating, narcotic medication and health care—those really are the cases that have not yet been locked in. Obviously, the shorter-term cases are the ones that can more likely be influenced in terms of successful recovery or return to work. The longer a case stays in the system, or the later it returns to the system within that lock-in period, the less likely it is that we are going to influence that worker's anticipated wage loss.

These all, of course, are permanent impairment issues, and we compensate based on the worker's capacity to perform suitable and available work, and what that earning is compared to the previous earning.

Mr. Jerry J. Ouellette: I don't believe that will answer the questions of the individuals coming to our offices. They're constantly being reviewed. These are individuals where a case would be locked in—

Interjection.

Mr. Jerry J. Ouellette: Yes. Then it's reviewed once a new file manager comes online. They're constantly coming in and saying, "Does this not cost the system, when I've been reviewed"—or deemed, as mentioned—"several times now?"

Mr. John Slinger: I now understand your question. We had a fairly significant cutover when we went from the old approach to claims, with a single consolidated adjudicator, to short- and long-term adjudicators and case managers, supplemented with return-to-work specialists and eligibility folks. There was a cutover as we transitioned those cases but, quite frankly, since we've created those new roles, the amount of movement has been significantly less. In fact, the attrition rate has been less as well.

There were some real issues around the old job in terms of an individual's capacity to engage in every issue from day one to six years, and we have tried to create better-sized jobs. When we did the cutover, there were about 40,000 claims that were transferred, but the good news from our perspective is in fact we saw short-term durations actually go down as we were transitioning. So the results started to show up fairly early.

There was, however, a transition where new folks who weren't previously involved in that file had to do a review. Those reviews have now been completed. We're now moving forward with pretty stable caseloads, and there isn't a lot of movement right now in terms of staff, and we don't anticipate a lot. There was a cutover period, for sure.

Mr. Jerry J. Ouellette: Okay, thank you. Mr. Mahoney, I brought in a predecessor of yours to meet with the local CAW workers, and during the discussions there one of the key difficulties that WSIB was finding was that the labour market re-entry program had significant difficulty with seniority issues within certain operations.

Can you tell me if this issue has been resolved? In other words, what takes place is, senior individuals within entities have a tendency to have the lower-impact jobs. When they occupy the lower-impact jobs and return to the labour market, individuals find it very difficult to actually find places to place them. Has that issue been resolved or has there been any—

Mr. Steve Mahoney: I actually don't think it has. The difficulty that we face is that we're dealing with a collective bargaining agreement that's in place; for example, with a fairly large organization down in Windsor that operates under a collective bargaining agreement that functions very much like that, based on seniority, so the jobs are not available for people to go back to. That poses a real difficulty for us.

What we have done is—and it was approved by the minister—we've gone out for a value-for-money audit on the LMR process to see how we can best deliver that. That report is now finished, completed, available, published and quite extensive, but there's very little that the WSIB or, for that matter, even the government could do to alter a collective bargaining agreement that has been negotiated in good faith between the employer and the union and has been in place for many years.

Mr. Jerry J. Ouellette: There's one last question that I have. Recently you mentioned the recession. Do we have a financial figure with expectations of the lost job market in the province of Ontario and how the revenues have impacted WSIB?

Mr. Steve Mahoney: I think we have lost \$300 million in annual revenue, in premium revenue, as a result of the job losses. That's in addition to the \$3 billion-plus that was lost in the investment fund due to the downturn in the economy.

Mr. Jerry J. Ouellette: Based on the upturn of the markets, was that not something you were able to make up?

Mr. Steve Mahoney: We've done better in 2009. We're certainly positive—as are all financial investment organs, if you will—experiencing a return, but you don't get that back. Your return is a positive percentage on a smaller capital amount. The \$3 billion that was lost is gone. The length of time it would take to recover that, quite frankly, is quite substantial. So now the returns that we're seeing, which more closely resemble returns prior to the downturn in the economy, are returns based on a smaller pool.

Mr. Jerry J. Ouellette: Those essentially are my questions.

The Chair (Mr. Norman W. Sterling): Ms. Sandals.

Mrs. Liz Sandals: If I've got time, I've got a couple of questions I would like to ask.

The Chair (Mr. Norman W. Sterling): I think we're going to split the time with the NDP on this, so I'll give you seven minutes.

Mrs. Liz Sandals: Okay. This actually goes back to what Mr. Sterling was asking around long-term planning and the original notion, which I understand was made before any of you came on the scene, that we should get

out of unfunded liability by 2014. Now we're talking about putting forward a new plan and some public stakeholder discomfort about why we would think the new plan would actually work. I don't know whether Mr. Marshall can comment on what sort of assurances we could have that there's some accountability around a new plan.

1440

Mr. David Marshall: My commitment is to develop a plan with my team and with consulting stakeholders that brings us to a fully funded position within a reasonable amount of time. I still have to figure out how soon we can do that.

That plan will have measurable benchmarks. It will say that we have to hit this rate of return, that we have to reduce duration by this amount by this date in order to meet the plan so that this committee, our stakeholders, the government and the minister can measure and see if we are getting there. However, it's going to have some tough, tough proposals in it. I mean, you can't recover this amount of money without some sort of pain somewhere in the system. We're obviously going to try to be as fair and balanced as we can be. We're here because that, by definition, hasn't been done so far. We are committed to doing it.

To the earlier questioner: We are taking it very seriously. It's in my letter. I don't get any bonus unless I can meet this target. It's a very clear target, and we're going to get there. I'm confident that we will. But I don't want to tell you now what it is, obviously, after four weeks. I've got to figure it out. We've got to look at it. But we can get there, and we will get there.

Mrs. Liz Sandals: But what you can tell us now is that there will be benchmarks so that we can measure your progress along the way. It's just saying, "It's okay. There's a goal out here somewhere, 10 years down the road."

Mr. David Marshall: That's right. It's not just going to be a date and everyone just hopes that you get there. No, it won't be like that.

Mrs. Liz Sandals: Okay, thank you. The other one is perhaps going back more to Mr. Slinger's area. My sense would be that if you look at the history of WSIB, part of your claims pool is now a different claims pool. Instead of being an injury pool, you're much more looking at an occupational disease pool. I wonder if you could talk about the evolution of the increase in the number of occupational diseases that you're (a) dealing with and (b) recognizing.

Mr. John Slinger: We have certainly, over the last 10 years, seen a significant increase in occupational disease claims. I think the exact number is 128%. But I think the real story lies in the fact that many of these cases relate to exposure that occurred in workplaces 20 and 30 years ago. Of course, within that group there are a number that result in fatalities and are obviously very emotional and very challenging.

I think what we initially saw, when these started to go up, was that it wasn't just a general increase. They would

occur in spikes, coming from different communities where employers had existed that obviously had environments that were giving rise to these cancers.

I think we've done a lot of work in the last couple of years to begin to get a real handle on how to better manage the cluster nature of those cases.

Because of the challenges of looking at work exposures and medical histories going back 20 and 30 years, for companies that are often out of business, those cases can be very challenging to adjudicate. Sometimes the science isn't there to really tell you if there is a connection.

We have made a really concerted effort, probably in the last three years. We've gone from a situation where we had, at any given time, 700 or 800 cases that went longer than six months before initial adjudication. We're now down to about a hundred and have done consistently better.

We did that by, obviously, re-resourcing the area, but we also created some new approaches to dealing with those cases. I think we've engaged in partnerships with unions and workplaces. We've relied on the Ontario clinic system, OHCOW, to get their assistance and buy-in. We've worked with the MOL. And I think our response to those cases is now much improved.

But again, we don't expect those cases to decline. We actually don't believe we've yet seen the peak of those cases.

Mrs. Liz Sandals: That was my next question. Has workplace health and safety legislation been around long enough that at some point you have safer workplaces and therefore less exposures?

Mr. John Slinger: I don't think we've yet reached the tipping point.

Mrs. Liz Sandals: We haven't reached the tipping point.

Mr. John Slinger: Certainly, the work environments are better in so many respects, and regulation and monitoring and controls exist. But some of the long-latency claims are still out there, and we know they're out there. We haven't seen an abatement of that increase. We don't expect to see that for several years.

Mrs. Liz Sandals: So we'll still be seeing new—

Mr. John Slinger: We'll still have challenges. Those, of course, create funding challenges, because obviously the employers whose environment it was that these cancers came from are no longer, in many cases, in business to even contribute to the payment—

The Chair (Mr. Norman W. Sterling): Thank you, Mr. Miller?

Mr. Paul Miller: I guess I could direct this question to Mr. Marshall. If the government gave the WSIB more autonomy to govern its own financial affairs, do you think that that would contribute to the long-term financial sustainability of the WSIB?

Mr. David Marshall: I must say that I'm not seeing right now that the current relationship poses any impediment to our managing in a financially responsible way. I think that there is a proper relationship. I can't tell you right now whether we are bumping up against anything,

but I don't see it. We can set our premiums. We can manage cases. We can work with employers and injured workers.

The general view that there's pressure from the government on premium rates is probably overstating the case. The same considerations a government would have, the board of the WSIB has: Do you want to increase premiums in times of difficulty or not?

So, no, I think we have the levers we need, and we've just got to now get on with it and exercise them.

Mr. Paul Miller: So what you're telling me is that the WSIB and the ministry—do they consult each other on changing employer premiums? Do they consult each other on worker benefits? If they do, and they had influence in those areas, that would tend to tell me that your previous statement might be questionable, that they would have a say. Do you consult with them on these types of things? Yes or no?

Ms. Cynthia Morton: Well, in fact, there's an obligation to consult with anything that may have a major impact on the system, pursuant to the expectations of any agency that is accountable to a minister. So—

Mr. Paul Miller: So you're telling me, then, that if that's a mandate—and obviously you follow it—there could not be any political pressure or political influence on the board's decision in reference to those things, such as premiums, because of an election coming up or that it looks good to employers? You're saying that there's none of that going on?

Ms. Cynthia Morton: I think there's a 100-year-old history here, and for me to say that none of that's ever gone on in the history of the WCB or the WSIB would—I couldn't defend that statement. What I am saying is that the government of the day, I believe, has an obligation to ensure that the WSIB board of directors, in making a decision, is aware of the economic environment within which they're operating and the expectations that are imposed on any agency to be prudent. That's where the obligation, from my perspective as deputy, begins and ends: Is the WSIB considering the right issues when they're making those decisions?

Mr. Paul Miller: We may have an opportunity to eliminate some of those situations if the WSIB would be willing to support legislative changes requiring the WSIB to become fully funded. Would they support legislative changes to force you to become fully funded, like they do in other provinces?

Mr. David Marshall: Mr. Miller, that is certainly on the table. That is one of the things that we are going to look at, especially because recovery and changes in financial position take such a long time to effect. We want to make sure we stay on track. Legislation certainly has helped other jurisdictions. So we will be looking at that. We will be consulting the minister and the Ministry of Labour, other ministries within government. It's on the table.

Mr. Paul Miller: And other parties, representatives—

Mr. David Marshall: And other parties, absolutely.

Mr. Paul Miller: That's good.

Mr. David Marshall: Absolutely.

Mr. Paul Miller: That's good. Thank you very much. That's it, Mr. Chair.

The Chair (Mr. Norman W. Sterling): Thank you very much. Are there any further questions? Okay.

Would you be able to provide—I find this chart very helpful, the one with the UFL reported from 1983 to 2008. Would you be able to provide the committee with additional columns outlining the revenue sources, or the revenues that you have collected, both in premium and investment income, as well as showing what the income pool was for that particular year, the average amount of—not income, but capital you had—

Mr. Steve Mahoney: The investment pool.

The Chair (Mr. Norman W. Sterling): Yes, what you had, as well as showing for each year the costs, both in terms of the administration and the benefit part of it.

Mr. David Marshall: Yes, certainly, Mr. Chair. That is available. We can do that for you.

The Chair (Mr. Norman W. Sterling): Thank you very much.

Mr. David Marshall: Do you want it for the whole period?

The Chair (Mr. Norman W. Sterling): Yes, because we're trying to—I think the committee probably would like to address a long-term view, to help the administration have the necessary incentives in place to ultimately deal with the problem. That's what the committee is trying to do. We're trying to drive so that 30 years from now we're not going to be looking at the same—or the next set of legislators. I plan to be here at that time as well.

Interjection: I'm sure you do.

Interjections.

The Chair (Mr. Norman W. Sterling): Thank you very much for coming to the committee. We appreciate your help and your information.

I'd just ask the committee to sit back so we can just talk a little bit about what we might want to tell the researcher to draft in her report.

The committee continued in closed session at 1452.

CONTENTS

Wednesday 24 February 2010

Election of Vice-Chair.....	P-471
Appointment of subcommittee	P-471
2009 Annual Report, Auditor General	
Workplace Safety and Insurance Board	P-471
Mr. Steve Mahoney	
Mr. David Marshall	
Ms. Cynthia Morton	
Mr. John Slinger	
Ms. Anthea English	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Peter Shurman (Thornhill PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Peter Shurman (Thornhill PC)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Lorenzo Berardinetti (Scarborough Southwest / Scarborough-Sud-Ouest L)

Mr. Peter Kormos (Welland ND)

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Legislative Research Service

P-28



P-28

ISSN 1180-4327

Legislative Assembly of Ontario

First Session, 39th Parliament

Assemblée législative de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 3 March 2010

Journal des débats (Hansard)

Mercredi 3 mars 2010



Standing Committee on Public Accounts

2009 Annual Report,
Auditor General:
Ministry of Health
and Long-Term Care

Comité permanent des comptes publics

Rapport annuel 2009,
Vérificateur général :
ministère de la Santé
et des Soins de longue durée

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 3 March 2010

Mercredi 3 mars 2010

The committee met at 1232 in committee room 1, following a closed session.

2009 ANNUAL REPORT,
AUDITOR GENERALMINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.01, assistive devices program.

The Chair (Mr. Norman W. Sterling): I'll call this meeting to order. My name is Norm Sterling, and I'm the Chair of the public accounts committee. We are today dealing with section 3.01 from the 2009 annual report of the Auditor General, which deals with the assistive devices program of the Ministry of Health.

Today we have with us David Hallett, the associate deputy minister; Ruth Hawkins, the assistant deputy minister; and Brenda Kritzer, director of the exceptional access program branch and director responsible for the assistive devices program.

Also, I believe there are additional people from the Ministry of Health here, who no doubt will be called forward to assist in answering questions, should they arise, involving their expertise.

I understand, Mr. Hallett, you have some opening remarks, and I would ask you to go ahead at this time with those.

Mr. David Hallett: Thank you, Mr. Chair. As mentioned, my name is David Hallett. I was appointed associate deputy minister on January 4 of this year. My accountabilities include direct services delivery, corporate services, legal services, information and information technology services, and health system information management and investment.

I have been with the Ontario government for 10 years. From July 2004 to December 2009, I was associate deputy minister, Ontario Shared Services, at the Ministry of Government Services. From July 2000 to June 2004, I was assistant deputy minister and chief information officer at the Ministry of Finance.

Prior to joining the Ontario public service, I had the privilege of spending 15 years in the private sector, holding senior and executive roles at Loblaw Companies Ltd. and the Oshawa Group Ltd.

I'd like to thank the Standing Committee on Public Accounts for this opportunity to address the Auditor General's report on Ontario's assistive devices program. I am keenly aware of the important work of the Standing Committee on Public Accounts and its vital function in our system of government. I look forward to providing you with an update on our actions to the Auditor General's recommendations, as well as addressing your questions related to the report's findings.

Let me state at the outset that the Ministry of Health and Long-Term Care greatly appreciates the thoughtful work of the Auditor General and his team. It is the intention of the ministry to address both the report's findings and its recommendations.

While I am pleased to note that the Auditor General has recognized that the ministry has improved its ability to monitor and enhance client service delivery and that it has implemented a number of initiatives to improve customer service in recent years, we recognize that our work is not complete and that more actions can be taken by the ministry to further strengthen service delivery, enhance controllership and achieve value for money.

As a result, the ministry is undertaking a comprehensive modernization of the assistive devices program. We are doing so not only to address the Auditor General's recommendations but also to enhance the transparency of the government's ADP process framework, to strengthen the accountability of how public funds are managed, and to ensure that the program is responsive to the changing assistive devices marketplace.

1240

Going forward, the ministry will continue its efforts to strengthen accountability, ensure the efficient use of resources and make certain clients continue to be provided with high-quality devices and services at reasonable prices.

I'll start by providing you with a brief overview of the assistive devices program, ADP for short. Then I'll move on to a focused overview of the audit findings and indicate our plan of action and the progress we've already made since the report was published.

The assistive devices program provides critical devices that enable people with disabilities and seniors who develop age-related disabilities to live with relative independence in their homes and participate in their communities. The program provides funding support to all Ontarians who are eligible under specific clinical and

program criteria. That funding support enables clients to obtain competitively priced and personalized assistive devices appropriate to their basic needs. ADP recipients are among Ontario's most vulnerable citizens. That's why the ministry's priority is focused on ensuring that people have affordable access in their communities, where possible, to dependable, high-quality devices, supported by qualified vendors and health care professionals.

At the same time, the ministry is committed to achieving value for money while administering a program that is open-ended and demand-driven. ADP and the home oxygen program serve a growing and aging Ontario population. What's more, with the right supports, seniors and people with long-term physical disabilities are able to and, indeed, prefer to live in their own homes instead of in institutional settings. The growing utilization of this program reflects these realities. That is the context I would ask you to bear in mind as you review the Auditor General's report.

The audit report includes nine recommendations that, in general terms, focus on pricing, claim verification and review, conflict of interest, recovery of overpayments, and authorizer registration. Rather than discussing each of these items in detail, I propose to focus on three specific areas where I acknowledge that the ministry needs to do better. The three areas are the pricing of home oxygen, the pricing of computers and peripherals, and the matter of potential conflict of interest among prescribers, authorizers and vendors.

With regard to home oxygen pricing, the Auditor General recommends that prices for home oxygen be competitive and that the ministry should perform a more rigorous analysis of the cost of delivering home oxygen under each of the three methods currently available. In response, I am pleased to inform this committee that the ministry is conducting an open and transparent procurement process for home oxygen services. A request for proposals to establish a vendor of record was released February 1, and the ministry expects to publish a vendor of record list by April 2010.

The ministry has conducted an extensive jurisdictional review of other home oxygen programs, completed an extensive literature review and analyzed several optional service models with respect to the administration of the home oxygen program. As a result of this work, the ministry has determined that establishing a vendor-of-record list for home oxygen services, along with modifications to the program's pricing structure, would be the most effective service model for Ontario at this time. This service model will be transparent, open and consistent with government guidelines, and has been determined to provide the best value for money to the taxpayer while ensuring continued continuity of care for vulnerable clients in their homes.

There are many benefits to the proposed vendor-of-record approach. It will ensure that clients will continue to have access to a multi-vendor market and exercise choice of vendor. Competition among vendors will be driven by quality of service and the type of oxygen

delivery system that best meets the needs of clients. The ministry will set a fair price for home oxygen that supports a comprehensive service delivery model which includes in-home clinical assessment, training of the client and caregivers, 24/7 service by the vendor and ongoing follow-up.

The ministry has established a positive working relationship with the home oxygen industry that has resulted in more stringent service guidelines, a joint commitment to manage utilization, and a positive response to participate with the ministry in responding to such crises as SARS. This co-operative relationship will continue under this new model.

Clients are responsible for the selection of a vendor to provide services and may choose the vendor that best meets their needs. In establishing a VOR list from which they may choose their vendor, the ministry is also providing clients and their health care providers with the assurance that the registered vendors are meeting the service delivery requirements of the program.

Based on the ministry's research and recent experiences in the United States, where a tendering model was tried, the ministry is confident that the proposed service model which is being pursued will best meet the program objectives of the home oxygen program.

I'd like to take some time now to explain the rationale for our home oxygen program service model. The ADP's comprehensive service model enables clients for most devices to select from a number of qualified vendors in their area, to receive ongoing support from those vendors and to pay the same price everywhere in the province. This cost-sharing model guarantees fairness, equity and access.

Research indicates that a home oxygen program is an effective way to prevent and/or shorten hospital stays. The level of care and follow-up are also reported as critical factors to ensuring compliance with therapy, an improved quality of life and decreased visits to emergency departments and/or hospitalizations.

More than 80% of clients currently in the home oxygen program are over the age of 65. These elderly clients are frail and vulnerable. They have a strong trust relationship with the medical professionals and service providers involved in their therapy. It is critical that these patients have confidence in the continuity of their care and in their ability to change service providers, if unsatisfied.

The typical home oxygen therapy patient is a 73-year-old woman suffering from chronic obstructive pulmonary disease—COPD for short—which is the nation's fourth leading cause of death. COPD is a respiratory disease that obstructs airflow to the lungs, causing shortness of breath and a host of other ailments. Having ready access to oxygen therapy allows this individual to live in her own home, be mobile, and enjoy a relatively good quality of life.

Again, let me emphasize how important this program is in preventing and delaying clients from being directed to alternative care programs such as homes for special

care that come at a higher cost and are more intensive for people living with disabilities.

With regard to the pricing mark-up of computer systems and peripherals, the Auditor General recommends that the ministry ensure that the cost of the equipment paid for is competitively priced by conducting regular pricing reviews. In addition, he recommends that the ministry take into account volume discounts and price reductions related to technological advances.

Let me respond by first providing you with some background on the ADP visual aids category. This category provides funding assistance to eligible Ontario residents who have long-term low vision or blindness that cannot be corrected either medically or surgically. The types of visual aids covered under the program include optical aids, such as magnifiers, specialized glasses and telescopes; reading aids, such as closed circuit televisions, audio book playback machines and talking scanners; writing aids, such as Braille and computer systems with screen reading/magnification software; and orientation and mobility aids, such as standard white canes.

The ADP funding contribution for all visual aids, except optical aids, is 75% of the ADP-approved price of the visual aid. The funding contribution for optical aids is 75% up to a maximum contribution. The ADP price or maximum contribution will vary depending on the type of visual aid or optical aid needed by a particular client.

Computers and peripherals used by the visually impaired and those with communications disorders must be able to run highly specialized software and hardware. The specialized computers provided to ADP clients run adaptive software and hardware technology that may require more resources than the average computer, such as faster computer chip processors, larger memory capacities, high-quality video cards for people with low vision, more powerful sound cards for people who rely on synthetic speech, scanners that handle legal-size paper, as well as larger, high-resolution monitors for people with low vision and so forth.

Since the ADP replacement period is five years, applicants may need to acquire a number of software and hardware upgrades on their own so that their computer systems last the full five years. For this reason, a number of vendors will offer clients a five-year extended warranty as part of their service offering. ADP vendors are responsible for installing any adaptive technology required, including the set-up and service of equipment in the client's home.

1250

Mainstream vendors who sell to the general public are not necessarily aware of various adaptive technologies or their technical requirements. As a result, it is unlikely that they are able to provide this service to ADP clients. Specialized computer and adaptive technology vendors are usually small to medium-sized businesses that have the requisite knowledge and experience to ensure ADP clients get the right equipment and ongoing support needed.

As is well known, technology prices do fluctuate at a much faster pace than most other products and services. Given this reality, the ministry conducts reviews generally every two years. A pricing review of all communication and visual aids, including computer equipment, commenced in May 2009. We are targeting to have this review completed by April 2010.

This is one area where the ministry agrees that it could do better. I'm therefore pleased to inform you that in response to the Auditor General's findings, the assistive devices program will review its pricing approach to ensure that resources are effectively and efficiently managed, and that appropriate devices are provided to qualified applicants at the best possible price.

The objectives of this review are to:

- assess the current pricing approach for all device categories in order to identify areas for improvement;

- review the ADP's current pricing framework with the intent of providing a set of recommendations to senior ministry officials by July 2010;

- incorporate a revised pricing framework into a proposed device listing and delisting policy by July 2010; and

- publish the ministry's strengthened approach to the setting of prices via the assistive devices program home page on the ministry's website by September 2010.

With regard to conflict of interest, the Auditor General has recommended that vendor billing patterns be monitored to deter potential conflict of interest, misuse and abuse of program funding.

The assistive devices program has a conflict-of-interest policy that includes statements regarding authorizer and vendor obligations in both authorizer and vendor agreements.

The following procedures have been put in place to guard against, detect and respond to conflict-of-interest situations:

- We require registered health care and service providers to follow specific policies and procedures regarding confirmation of client eligibility for funding assistance;

- When concerns arise regarding the practice of an authorizer or vendor, the ministry works closely with the individual or organization to gain compliance;

- If an authorizer or vendor doesn't comply with the ministry's requirements and remains non-compliant, then their registration is terminated;

- When the ministry becomes aware of questionable practices, we investigate and take corrective action, which may include referring the matter to the Ontario Provincial Police; and

- Where there are clear instances of professional misconduct, these instances are referred to the appropriate governing college.

To further strengthen monitoring and enforcement oversight, the ministry is developing a new information system that will significantly enhance the ministry's oversight capabilities.

In addition, the ministry is providing enhanced education and training to all program staff in the area of risk management. The goal of this training is to enable staff to better recognize and follow up on abnormal claim and authorizer prescription patterns.

ADP staff will conduct a jurisdictional review to identify best practices. They will also conduct a review of the standards of practice and codes of conduct related to conflict of interest at regulatory colleges and professional associations. The program will also put in place strengthened protocols that will more quickly address conflict-of-interest situations when they occur.

To summarize, the ministry is committed to the fair and responsible delivery of the assistive devices program to ensure that ADP recipients, who are among Ontario's most vulnerable citizens, have access to assistive devices and supplies that they need. At the same time, the ministry is committed to obtaining value for money and to protecting the taxpayers' investment in the health care system.

The Ministry of Health and Long-Term Care also remains committed to continuously improving the assistive devices program it administers. We fully appreciate the Auditor General's recommendations and have begun taking concrete steps to act on those recommendations.

In closing, I would like to once again thank you for this opportunity to address you today. I'd now be pleased to respond to any questions.

The Chair (Mr. Norman W. Sterling): Thank you very much. Ms. Gélinas?

M^{me} France Gélinas: I get to go first?

The Chair (Mr. Norman W. Sterling): Yes. It's the NDP's choice.

M^{me} France Gélinas: I want to thank you for coming here today.

I was very distraught when I read the auditor's report as to how many areas that he had looked into where it seemed obvious that improvements were needed. You picked three, and even in your answers to those three you still leave a lot of questions unanswered. If—how long do I have?

The Chair (Mr. Norman W. Sterling): Around 20 minutes for the first time.

M^{me} France Gélinas: Okay. If I follow what you've presented—I also have questions on parts that you have not presented, with oxygen therapy. How do you intend to address the issue that respiratory therapists right now are hired by the oxygen providers, therefore leaving the auditor and ourselves to wonder how much incentive there is for those respiratory therapists to report somebody who doesn't need oxygen anymore and take a client away from their employer?

Mr. David Hallett: I'll provide the initial part of the answer, and then maybe I'll pass it over to Brenda to provide some more information for you that would be helpful.

First off, unlike other provinces, my understanding is that many of the respiratory therapists are part of vendor groups within the province of Ontario, but they do fall under their college's responsibility and standards of

conduct. We believe that they're holding to those standards, but nonetheless, there will be occasions where there could be abuse happening, and we are going to be looking in the coming months to figure out what more we can do, working with respective colleges and the therapists to help educate them to be more compliant with the policy of the program. We will also look at what we can do for further checks and controls to ensure their compliance.

Brenda, do you want to comment further?

Ms. Brenda Kritzer: Sure. The home oxygen program has been changing quite a bit over the last few years. Within the first 90 days, approximately 40% of clients who are referred for home oxygen are able to carry on without home oxygen. Those who are remaining on home oxygen generally are people who are suffering from chronic obstructive pulmonary disease or another serious lung disease from which they're unlikely to recover.

What we do is have three assessments initially in the first year. The patient is initially assessed in a clinic. The physician has determined that that assessment is required, and it's usually an arterial blood gas assessment for home oxygen. The physician also determines generally what is going to be the best mode of delivery for home oxygen.

Once the patient is referred to home oxygen, they are connected up with a vendor. They choose their own vendor; they may choose from a number of vendors in their community, or they may be referred to a particular vendor by their physician.

They are assessed again at 90 days to determine whether or not they continue to meet the clinical criteria that have been designed for this program. If they continue to require home oxygen—and that's the other 60% of people who are on home oxygen—they are assessed again at 12 months. So from zero to 12 they're assessed three times.

That assessment, currently, is an oximetry test. When our new vendor of record is in place, that assessment will have to be confirmed by a physician, and thereafter, the physician will confirm on an annual basis the requirement for continued home oxygen.

Currently, our average length of stay on the program has fallen to around 192 days, so we feel that we have very good control of the program. As David has indicated, respiratory therapists are members of a professional college and are required to adhere to the standards of that professional college.

M^{me} France Gélinas: I don't share your view that we have very good control of this program. The auditor has shown that in 30% of the cases where an audit had to be done after one year, it basically was not there—it showed that oxygen therapy did not need to continue, yet it continued. It also showed that it took months, after a patient became deceased, for the government to stop paying the bill. Deceased people don't need oxygen.

1300

Ms. Brenda Kritzer: Certainly, we do make recoveries for patients where we have made payments and the patient is deceased.

In terms of whether or not the client continues to require home oxygen, certainly when they are receiving therapy, we expect to see some improvement in their lung capacity, but that improvement is tied very much to the use of home oxygen. So someone who's suffering from this chronic disease is not getting better; they are in fact generally getting more ill. The disease is progressing. While test results may indicate some improvement, those improvements are tied specifically to the therapy. Without that therapy, they're not going to be improving, and in fact would quickly slide.

M^{me} France Gélinas: In your answer, you say we will now require physicians to confirm on an annual basis. We have this right now. Respiratory therapists have to do a yearly for the chronic oxygen user. They are not doing it. When they are doing it and showing that the patient doesn't need it, nothing happens. When the patient is deceased and we continue to pay for a service that is no longer needed, you talk to us about doing recovery, but here again, when the auditor looked at the recovery, it was a fraction of what is owed to the government that was actually recovered.

Mr. David Hallett: We recognize there are going to be situations of abuse, and we're committed to addressing what the Auditor General has found and aggressively getting a handle on any kind of abuse that would go on in the oxygen program.

M^{me} France Gélinas: How are you going to do this?

Mr. David Hallett: I don't want to give you a trite answer. I'm just new in the role. I have to look at this situation and get myself fully apprised of it. But consistent with what I've done over 25 years of trying to do these things, I understand what the problem is, I look for the opportunities, and I drive a program to achieve them. I can't articulate it for today. I've just been eight weeks into the job.

M^{me} France Gélinas: I understand. Good luck to you. In the entourage you have brought with you, is there anybody who can say why those recoveries were never sought before, why the yearly checks were never done before—and that's not to talk about the price we've been charged.

Mr. David Hallett: I don't think we can give you a totally solid answer.

Let me explain how the program has gone. From 2001-02, when the program was last audited, up until the end of 2008-09, the number of clients has grown from about 140,000 to 250,000. In 2008-09 alone, we had approximately 347,000 claims that were made for various categories of the assistive devices program.

We're now looking at the fact that the resource base we're using for that organization since 2001—we started off with 38 full-time individuals supporting that program. While it's grown by leaps and bounds in that whole period of time, we still have about 38 people supporting that program. The operating budget we used just to support that program was approximately \$3 million back in 2002-03, and today it's \$3 million. So while the program has gone up to 347,000 claims, our actual costs

to support the program have been capped, both from a full-time equivalent basis and a funding basis on that side of it. So we also have to look at that.

We need to employ additional resources, what types of resources we need, so that we can make sure we are aggressively monitoring and following up on abuses for not only the oxygen program but all the other categories we support under the assistive devices program.

The Chair (Mr. Norman W. Sterling): Could I just ask a supplementary—because it's an important number. The national average: 60 out of 100,000 on oxygen. Ontario: 150 out of 100,000 on oxygen. Why is there a two-and-a-half-times difference between the national average and our average?

Mr. David Hallett: We couldn't answer that question. I'd be pleased to provide a follow-up written response to you on that.

The Chair (Mr. Norman W. Sterling): Thank you.

M^{me} France Gélinas: The auditor is very good at picking out numbers that speak for themselves. Again, we're talking about oxygen concentrators, and 90% of the people on oxygen at home use those. They cost between \$400 and \$1,000, and they last five to seven years, according to the manufacturer. Yet the ministry pays \$23,000 over five years for the difference. Let's say we bought the best one at a thousand bucks. We'll pay \$23,000. That leaves \$22,000 per client for that period of time. How can you reassure me that we are getting \$22,000 worth of follow-up care for each and every one of those concentrators for each and every one of those patients? It doesn't seem reasonable to me.

Mr. David Hallett: I'll have Brenda take you through what encompasses that program, and then I'll provide you with some additional stats on the five years and \$23,000—because I was asking the same question coming into this meeting today.

Ms. Brenda Kritzer: Within the home oxygen program, based on our research—we looked at this back in 1999, and we re-examined it very closely in 2009—the equipment actually represents something in the neighbourhood of 10% of the total cost of delivering home oxygen. The largest component, in terms of the cost of delivering home oxygen, is staff costs, and that's primarily the professional health care service provider, generally the respiratory therapist. In addition to that, there is servicing of the equipment, ensuring that it continues to be in good working order.

Initially, once the person has been referred for home oxygen, the respiratory therapist comes into the home, makes an assessment of what the individual's requirements will be, determines what the oxygen flow rate should be, for example, and examines the home and the ability of the person to operate home oxygen in a safe environment. For example, if there's a natural gas stove, that might not be the safest environment for home oxygen to be provided in. So they not only assess the client, they're assessing the home. They then provide training to the client on the use of home oxygen and the maintenance of their equipment in the home, and they

provide the same training, in terms of those components, to any other caregivers who are involved with the individual. Our average client in home oxygen is an elderly woman, probably in her early 70s, who is suffering from chronic obstructive pulmonary disorder, is frail and requires additional supports. So we are providing that training to others.

Our program requires that the service provider provide 24/7 response to the client if there's any change in the health condition, they have a failure in the equipment or whatever. If there's a failure in the equipment, the vendor will provide replacement equipment while the equipment is being repaired. So they are maintaining the equipment and they're maintaining the individual.

As the individual progresses in their disease, they will be providing ongoing follow-up to the patient, ensuring that assessments are done as required.

If the patient is leaving the province or leaving her or his home, they essentially provide what you might call a vacation planner, which describes what they need to do to ensure that they're travelling with oxygen in a safe way, and they assist the client to ensure that that's going to happen.

So these are the primary components.

If there is a change in condition—the patient is admitted to hospital for some reason, and they come back out—there's a set-up again, an assessment of what the patient's health requirements will be in terms of flow, whether they require the same equipment or whether they should be changing the modality of the equipment.

M^{me} France Gélinas: But all of those services are encompassed into the monthly fees that you pay. Here again, the auditor shows that for 30% of those people—they looked at 18 months—those people had not been assessed. So all of those services you're talking about, that I have no problem that we pay for—I think they're valuable services. But when the auditor looked, for a period of 18 months, none of those had been provided. Yet we are still paying the monthly fee that averages to \$23,000. It doesn't feel like we're getting our money's worth here.

Ms. Brenda Kritzer: I think the other thing to factor in here is that \$23,000 was a price that the auditor assessed in terms of how much we're paying for a piece of equipment. It's not actually a real number. That's not the cost of the equipment and it's not the cost of the service. Most of our clients are not on for five years. As I said, the average annual is now falling to about 190-some days. So you'd have to take that \$23,000 and say, "Okay, over \$23,000 in seven years, how many clients actually had to go through set-up, vacation planning, follow-up, change in their program etc., to the point where they no longer required the service?"

1310

Mr. David Hallett: If I may, I'd like to just build upon that, because the \$23,000 did catch my eye. It is accurate, if it's \$389 a month and the person is on it for 60 months, on that side of it. So I did ask some questions, and in recent days I was able to get some preliminary

analysis on this program. In 2002-03, the average person was on the program for 616 days. By 2008-09, we were down to 193 days for the average person on that program. So it's roughly 69% over that long period of time.

More importantly, though, according to the information I've been able to gather in the last few days, the program currently averages about 7,200 clients on long-term funding of one-plus years—not as many would go to a full five years on that side of it. More importantly, of the clients that are on that home oxygen program, 82% are over 65 years of age, another 6% are between the ages of 61 and 64, and finally, another 7% are between the ages of 51 and 60. We're now looking at data to understand that. I'm interested in making sure that we're not paying more than we have to for the service being provided, or for months beyond what is needed. As I mentioned earlier, it's our full intention to get a handle on this, so that we aren't finding ourselves in a situation where we're paying for services that should no longer be provided.

M^{me} France Gélinas: I want to move to something other than oxygen, but I'm going to let it go around to see if other people have questions about the oxygen program before I move on.

The Chair (Mr. Norman W. Sterling): Okay. Mr. Shurman?

Mr. Peter Shurman: Thank you very much, Chair, and thank you very much, Ms. Hawkins, Ms. Kritzer and Mr. Hallett, for appearing here.

I have a list of possible questions for you, and I'll get to it. But before I do, I've got to tell you that I find the presentation very disappointing. It represents everything that the average guy out there, the average woman out there, believes is wrong with government-provided services. It doesn't take a genius to know that if you want to buy a computer monitor, they cost \$200 or \$300 and you can get them at Best Buy. I'm not suggesting that the government say, "Go out and buy your monitor at Best Buy," but I am saying that when the story got out that the Auditor General had talked about \$1,000 and \$1,200 monitors, it was the topic of conversation at the water cooler for the day.

I listened to your presentation, Mr. Hallett, and what you're giving us, even where you talk about modifications to programs, is a series of kind of government-speak or functionary-speak messages, and then we hear that you're new on the job. I don't mean to be vicious or venomous in any way with you; I understand that you're trying to do a job. But you represent the face of the Ministry of Health. This morning at a media availability, I stood and watched the Premier of the province say that we can expect health costs to rise to something like 70 cents on the dollar sometime in the next decade. I don't disbelieve him; I think he's right. But I think that if you take a look at the symptomatic elements of it, what you're talking about here today represents the worst of it.

What I want to know is that, in some general way, there's a recognition that it's not necessarily costly reviews that are going to fix things, which you've

addressed fairly well; it's getting the program completely rejigged, so that people get what they need—because they surely deserve that—at a price that all the people deserve to pay, in terms of its fairness. It sounds to me like everything has fallen between the cracks. We've got suppliers who are unscrupulous. I can even recall from my personal experience in dealing with several wheelchairs and a scooter for a late parent, what it costs and having people say to me, "Well, don't worry. The government pays. You're in for 25%, but we'll take care of that"—nudge, nudge, wink, wink.

To get down to the nuts and bolts, if you have revised your vendor process in the oxygen program—you talk about vendors of record, which I suppose represents a new list. Could I say that?

Mr. David Hallett: Uh-huh.

Mr. Peter Shurman: Is that a list that will be public and readily available to everybody?

Mr. David Hallett: For the vendors, yes.

Mr. Peter Shurman: Okay. If that's the case, what was the previous process for selecting vendors that caused so much difficulty?

Ms. Brenda Kritzer: In the past, home oxygen vendors have approached the ministry to indicate that they would like to become vendors with us and be registered. We have requirements of each vendor—they're fairly extensive—and we provide to them a registration package. So in order to register as a vendor, they would have to carry all of the varieties or modalities of oxygen and they'd have to meet certain requirements regarding insurance etc.—so business requirements.

Mr. Peter Shurman: But clearly they didn't. Something was wrong. I want to know what was wrong. I want to know what the criteria were for you to reject somebody from this list, because you've come up with a new process—we've just heard that—and there must be a reason for that.

Ms. Brenda Kritzer: The new process is to ensure that we are completely transparent in how vendors can become registered with us to provide home oxygen. In fact, we have not identified issues with our previous process, and vendors have met and continue to meet our requirements, but this will ensure that we've done a review of those requirements and that they are continuing to meet our business requirements.

Mr. Peter Shurman: What's going to happen as a result of this? Are we going to see a continuation or a proliferation of \$23,000 price tags per patient, or are we going to see something competitive?

I have a little bit of experience, again, in the oxygen area, and I can't see—it reminds me of that famous report years ago from NASA in the United States where they were paying \$20,000 for a hammer. And why was that happening? The same reason as here: because they could. That's the worst reason for anything. So I want to know that you've got a process and a new vendor list that's going to result in us seeing a big drop in the cost of this stuff.

Ms. Brenda Kritzer: Our research indicates that the fees that we're paying for home oxygen are not out of line with fees being paid in several other parts of Canada where they have a similar model of delivery.

Mr. Peter Shurman: What's wrong with looking at new models of delivery? It's kind of like saying, "You should give to this charity because your neighbour does." That's the worst reason in the world. You should do it because you have a feeling in your heart that you should. Not to go too far afield with my simile; my point is that just because Manitoba or Saskatchewan or BC pays these outrageous—and I think they are outrageous—fees for service delivery or for product delivery doesn't necessarily mean that Ontario should.

Mr. David Hallett: If I may, the intent of the vendor-of-record program is to put more rigour into the overall process, the management and oversight of that program, to drive pricing down; to put in tighter controls and accountabilities to hold the vendor community to what has been agreed to, and to put in the proper oversight to ensure we follow through.

Mr. Peter Shurman: So you're telling this committee that you're satisfied that the review that you've conducted and the rejigging of the process would mean that, if the auditor took a look at this again in, let's say, a year or two years and you were to come back before this committee, we wouldn't be listening to the same questions that my colleague was asking, because we all have these issues on our mind, and that we would be looking at two things: (1) a level of pricing that is consistent with what the market will bear as opposed to what the vendors can get, and (2) that we would have some accountability in this system? Because both of these things have been terribly lacking, and I think we're agreeing on that.

Mr. David Hallett: The bottom line is, if the Auditor General does his follow-up audit in a year or two years from now, I would hope that he would be able to proudly say that the ministry did respond to his audit findings and they did follow through. That's the intent.

Mr. Peter Shurman: Okay.

The Chair (Mr. Norman W. Sterling): Could I just ask a supplementary? It's on that exact point. Is it a competitive process? In other words, if vendor A comes in and says, "I can supply oxygen at \$1 per unit," and another one comes in and says, "I can do it at 95 cents," do you exclude the \$1 one or do you just fix the price?

Ms. Brenda Kritzer: We have set the price.

The Chair (Mr. Norman W. Sterling): Why?

Ms. Brenda Kritzer: We felt that that was the best model. We took a look at what was happening in other jurisdictions. We took note, for example, that in jurisdictions in the US, they had a very negative experience with a process that was completely competitive.

The way that respiratory services—and I'm not talking just oxygen services—are currently provided in Ontario, we didn't feel we were at a point where we could move to a different model. We absolutely agree that there are other models that may be more appropriate for us as we move forward, and we will be looking very closely at

those models that would allow us to move to a competitive model.

1320

The Chair (Mr. Norman W. Sterling): Mr. Shurman? Sorry for the interruption.

Mr. Peter Shurman: Not a problem. Just a couple more questions: In your initial response, the ministry had outlined measures that included the implementation of a new computer system by the spring of 2011 to enhance your monitoring capacity. Could you tell us what that's going to cost?

Mr. David Hallett: I can't give you—

Mr. Peter Shurman: You don't have a rough idea?

Mr. David Hallett: I don't, but I'd be happy to do a follow-up response to you.

Mr. Peter Shurman: Okay. Maybe you could tell me what the previous monitoring process consisted of. Given that you have identified the need, you're replacing something that exists.

Mr. David Hallett: Yes.

Mr. Peter Shurman: What is it?

Mr. David Hallett: Brenda?

Ms. Brenda Kritzer: The current system has been in place since the program first began. The computer system that supports the program is more than 20 years old. Over the last 20 years, we've had various changes, but you reach a point in time where basically you can't put any more band-aids on; there's no way of continuing with this program.

It's a very basic system. We can generate reports. The program staff do not have the skill to pull those reports off this computer system, so we have to use our IT staff to pull those reports. Our new system will enable the program staff to pull reports and to carry out ongoing monitoring.

We have program staff who do monitoring. We also have staff who are part of the financial accounting policy and financial reporting branch. They are charged with the task of assisting us in monitoring the claims, so they do a continuous monitoring of claims.

Mr. Peter Shurman: Also in the initial response provided, the ministry had outlined a number of measures that it intended to implement "to more effectively"—and you've addressed some of this—"identify abuses, recover overpayments, and deter misconduct," which included training staff and liaising with appropriate regulatory colleges. I believe that was the wording.

Why were those measures not effective? You've mentioned what some of the deficiencies were with that computer system, and the lack of ability of staff to get the kinds of reports that they needed. That would be a partial answer. There must be more to it than that, because what I find frankly appalling is that it took an Auditor General's report to discover that this was a need and then address it.

Ms. Brenda Kritzer: I think part of the answer, sir, goes back to what Mr. Hallett was discussing when he talked about the number of staff we have in the program. We just haven't had the resources. Most of our staff have

been focused very much on the processing of individual claims and meeting the needs of clients and their caregivers and helping them get the devices that they need. So we haven't had the resources to focus as much attention as we should have and need to—and will, in the future—on monitoring.

Mr. Peter Shurman: Had the ministry ever received—I know what the answer is—any complaints about abuse and misconduct in the program? I'm presuming the answer is yes. What was your process for dealing with those?

Ms. Brenda Kritzer: I can give you a specific example, off the top of my head. We did have a complaint. This was in the mobility category. The complaint came from someone who had noted that there seemed to be a lot of people in a particular area who were being prescribed and receiving scooters.

The ministry did undertake an investigation. First of all, we required another independent assessment of each of the clients over a period of time to determine what their needs actually were. We did find that there were some clients who did not meet the clinical criteria for the scooter; that was not the best device to meet their needs. In that case, the authorizer was deregistered from the program. In terms of whether or not we reported it to the college, the authorizer self-reported.

Mr. Peter Shurman: Overpayments: Do you have an answer to the question of how much globally you've been able to identify as overpayment? If so, is there a recovery process?

Ms. Brenda Kritzer: Are you asking about overpayments in relation to—

Mr. Peter Shurman: Oxygen. For now, oxygen.

Ms. Brenda Kritzer: Yes, we do. We check the registered persons database to determine whether a patient has passed away. Where we determine that a patient has passed away and no longer requires the service, then we do—

Mr. Peter Shurman: Wouldn't do much good, no.

Ms. Brenda Kritzer: No. Then we make a recovery.

Mr. Peter Shurman: Do you have a global amount that you think you could provide as an estimate for this committee? It can be whatever you have. If it's over the year 2008-09 or over five years, from 2005, I don't care. But I'd like to know roughly where we are in terms of what we've lost.

Mr. David Hallett: We're just taking a look to see if we can provide the answer.

I just want to go back to something Brenda touched on in terms of the phenomenal success of the program in anticipating the aging population. Again, you'll appreciate the fact that I'm trying to understand this and I need to have certain data points that can help me really start thinking where the problem might lie or where the opportunities are to address situations.

Back in 2001-02, there were approximately 163,000 clients on the program. Fast-forward to 2008-09: There are 257,800 people on the program—a 57% or 58% increase over that period of time. If you look at how

many people I said we had trying to administer the program: Back in 2001-02, we had 38 people. So if you look at the numbers of clients at that time, on a full-time-equivalent basis, for each employee we had in the program, they were servicing, on a notional basis, 4,300 clients. If you fast-forward to 2008-09, that has jumped to 6,875 clients per employee. So we've actually had a workload increase, on a notional basis, of roughly 60% on that side of it. Sometimes when you drive efficiencies, you might have gone too far, and we have to re-evaluate—

Mr. Peter Shurman: I'm not being argumentative in saying this. I understand that that is an issue. Having said that, we've also been talking about things like controls, accountability, and computer systems that will generate reports so you can follow up on the cheaters. That wasn't there before, and now, imminently, we're talking about it being there. So I think that there's some balance to arrive at.

I presume you now have some figures for us.

Ms. Brenda Kritzer: I do. Home oxygen: We have recovered \$175,000. That's for the year 2008-09. That was recovered by February 2009. We are continuing our recoveries, and we'll continue the reporting—

Mr. Peter Shurman: That's the recovery, which is, in the overall scheme of things, a small amount of money. Do you have a figure that represents what you estimate the losses to have been?

Ms. Brenda Kritzer: At this point, we haven't written those off as losses. We are continuing to work toward recoveries.

Mr. Peter Shurman: Thank you very much.

The Chair (Mr. Norman W. Sterling): You said, in approximately the same time periods that you talked about caseload, that the length of duration had dramatically shrunk in terms of the time that people were receiving oxygen. So how do you add up the two, in terms of saying that the caseload has increased dramatically when, in fact, if you take the time that people were on, it's much shorter? On the one hand, you're using stats to justify one thing, and on the other, you're doing the reverse.

Mr. David Hallett: That's a fair comment you're making. The length of stay that a person is on the home oxygen program is one of 11 categories under the assistive devices program—a major one, but it's one of 11, approximately. When I was talking about the reduced time, from 616 days in 2001, for those who are using oxygen therapy, down to 193, that refers to the individual who is on the program. I'm talking about the resources that support the entire assistive devices program, all 11 categories of assistive devices. That's what I was referring to on that side of it. That's where the volume has gone up. The entire client base is in all 11 categories, not just on home oxygen.

The Chair (Mr. Norman W. Sterling): Okay. Ms. Sandals.

Mrs. Liz Sandals: We've talked a lot about oxygen, so let's talk about some of the other areas now.

When we look at some of the visual and audio devices and things like that, leaving aside the example you used

with the monitor, the discussion we got into on, "What's the price at Best Buy, and is that really the same monitor?", because that's one issue, but the auditor seemed to be identifying a couple of other issues, which is that there would be an approved price for a device, and if you actually looked at the invoice the company had, there was a significant gap between the actual invoice—so: This is the price for this exact piece of equipment, not some imaginary piece of equipment at Best Buy; this is the same piece of equipment, and there's a large gap between the approved price and the invoice price.

1330

There have been a couple of different suggestions as to why that might be. One was around the issue that perhaps the approved price was the best price you would be able to get if you were in some little remote corner of the province and weren't taking into consideration all the regional variations where you could get volume discounts.

I guess the first question would be: If that's the reality that these pieces of equipment really do cost different amounts in different places in the province, what are we doing so that we're taking advantage of that as taxpayers and the volume discount advantage doesn't just go to the vendor? That's question one.

The second thing that isn't at all clear to me is: What else is in the approved price other than the actual device price, and how well it's laid out what the vendor is supposed to supply in terms of maintenance and service, and how do we evaluate how much that costs? You would think that our approved price should be a combination of whatever the cost of the required service is and the cost of the device. That would be reasonable, but do we have any way of evaluating what is the required service commitment for each device and how much that represents in terms of value?

Mr. David Hallett: I'll give part of the answer and then I'll ask Brenda maybe to explain the process of how we approach it.

We wouldn't argue with the fact that there are cases and situations where vendors are overcharging from what the program has prescribed, and we think that's not acceptable. When we find out about it, we do pursue it. We need to be more aggressive on that side of it.

We are undertaking a complete review of the current pricing structure. Again, we're looking at how we strengthen this process so that we don't fall into a trap when we set prices. There's an acceptable margin, I think, of around 33%, and we're making sure that the vendor community who's providing the services is adhering to it.

That's the fundamental principle for the ministry. We don't think it's acceptable to be having—if I can use the words—price gouging. It's not fair to the clients who are being served who are the most vulnerable in this province, and our intent is to address it on that side of it.

In terms of the process, maybe I can ask Brenda to talk to that.

Ms. Brenda Kritzer: In order to set the price, we contact manufacturers and ask them to provide to us what

their price is for a single unit to a vendor, as opposed to, "What price would you give us if we're buying 5,000 over the next two years?" So that's the price. We get all of those prices and then we do reference-based pricing, finding a price that's somewhere in there, or if the devices are actually different, then we may list all of those devices.

When we see an invoice that is substantially different from what is our approved price, there are a number of components that might make up that invoice price. Let's take CPAP, for example. Our review has indicated that a CPAP machine—would anyone like me to explain a CPAP machine?

Mrs. Liz Sandals: That's the breathing thing?

Ms. Brenda Kritzer: That's right. That's generally prescribed for people with sleep apnea. Currently, we're looking at a CPAP machine which, say, if you were to go on the Internet, might be around \$700. So we've priced one at six hundred and ninety-some dollars. If you allow a markup on that, what's the markup? Within that price we require the provision of the tubing that's required, a basic mask that is required and a carrying case. The individual who's actually getting this device may say, "I don't really like that mask. I would prefer a different type of mask, something that doesn't cover so much of my face. This is too intrusive. I don't think I can sleep." So they can upgrade on the mask, they can upgrade on a number of things, or they can say, "I need two pieces of this." So they're paying for additional things.

Now, we estimate that a CPAP machine will last for X number of years. That warranty is part of the price. But the vendor may say, "This is the warranty period that the assistive devices program has approved." If your machine breaks down before that, they may say that they're not going to pay. So the vendor may essentially promote an extended warranty or a more comprehensive warranty package than what we have covered.

These are the types of things that end up getting added into an invoice. We, nonetheless, as a program pay only the base price.

Mrs. Liz Sandals: But what happens if the vendor is located next door to the sleep clinic and they don't sell one of these, they sell hundreds of these because of where they're located? How do we get the advantage on the volume discount instead of paying the one-off price that you've found for a one-off wherever?

Ms. Brenda Kritzer: Currently we're not taking advantage of that. We are taking a look at whether there's a business model or a different way to approach pricing that would enable us—and the client—to take advantage of those kinds of discounts. Our program has basically tried to ensure access and that the price paid in southern Ontario, in Toronto, is the same price that's going to be paid in Timiskaming, so that clients aren't seeing different prices just because of where they live. We realize that that may disadvantage us in terms of being able to take advantage of discounts—

Mrs. Liz Sandals: But surely another way of doing the math would be that every client gets, I don't know,

\$200 on the price of whatever it is, but how much we pay the vendor is more related to what the vendor actually paid as their cost of procuring the device.

Ms. Brenda Kritzer: Exactly. That is—

Mrs. Liz Sandals: So there are ways that we can be equitable to the consumer and still be getting our own price advantage.

Ms. Brenda Kritzer: You're exactly right; that is one model. That's the type of model we use, for example, in hearing aids. There we list at least several hundred types of hearing aids. We pay \$500 to the client, and that's it, and they may make a selection.

Mrs. Liz Sandals: And then they can make their decision based on—okay. Let's look at the other thing, because on the sleep apnea device, it's pretty cut and dried: Here's the tubing; you need to physically maintain the machine. There's not a lot of training. But let's go back to some of the computer devices, where you're dealing with vision issues. You presumably have a whole lot of issues around what software that particular client needs to use, how you get software compatibility and how you get trained to use the software. Who's responsible for making sure that all those installation, software compatibility and training issues are dealt with? Is whoever prescribes this in the first place or the vendor going to be responsible for what are not just physical servicing issues, but more training and technical support issues?

Ms. Brenda Kritzer: It is the vendor. The types of equipment that you're discussing are very specialized. We are learning more as we're going through our pricing review now, and we're considering whether or not we have the right kind of business model for computers. We may come to a decision on pricing before we make a decision on the business model, so we may see considerable change in this device category over the next few months.

Mrs. Liz Sandals: So you might actually separate out the hardware from the technical support or something.

1340

Ms. Brenda Kritzer: Yes, or we might look at the model you talked about, which is where we provide a set amount based on our research and the client can sort of mix and match and deal with that as they choose.

For example, I did some research just this morning on the monitors, because everybody says, "I can get a monitor for \$250." We looked at a couple of people in the Ontario public service who have low vision and what types of monitors they require. The monitors they have are going for around \$1,100 as a list price. That's without any of the software that goes on in terms of any further magnification that the person may require, setting up the software, as you mentioned, and teaching the individual how to use that software. Currently, our vendors are required to provide that service to the individual in their home. So they get what they need, they get it set up and they get the training, and that service is provided by the vendor.

Mrs. Liz Sandals: Do you have a good way of costing that, or is that something that's part of the review?

Clearly, pricing the monitor is the easy part of what you're describing. Figuring out what the service is worth is a more complicated issue. Is that something you have really looked at in detail before, or is that new?

Ms. Brenda Kritzer: That is what has been encompassed in the 33% markup. So no, we haven't priced that individually. It would be difficult—not necessarily impossible; we can certainly take a look at that—but different have clients will have different needs, and as they progress, their level of expertise will change. So the next time they come in, they will have a new requirement, but they may already have a level of expertise that the vendor doesn't have to provide that kind of new user training.

Mrs. Liz Sandals: And depending on the device, one may have a 33% markup, where there's a lot of training and support involved, and for some of the things it's just, "Here's the device," and there really isn't much training and support required. It's going to vary dramatically, I would presume, from device to device.

Mr. David Hallett: Just as a point of clarification, in terms of the visual aids, the prescription of that authorizes that.

Ms. Brenda Kritzer: I'll have to get back to you on that, if you don't mind. I know that we use very specialized clinics and the CNIB to assist us in actually determining for people with visual aids, but they're not the only people who are using computers, monitors and this very complex software. People who have other communications needs also are assessed.

I know that we have used the CNIB, and there are a number of clinics around the province that we're using—I think it's about 12—but in terms of other areas, I'll provide that.

Mrs. Liz Sandals: Do I have any more time, Mr. Chairman?

The Vice-Chair (Mr. Peter Shurman): You have about two more minutes.

Mrs. Liz Sandals: Okay. Let me stay where I'm at, and then I'll come around the next time.

When you get to the issue of motorized wheelchairs, because again you get into this sort of service issue, the first piece that isn't clear is—and we got into a bit of a discussion about this with the auditor this morning—do people actually have any choice, or is there just one vendor and they have to go to that vendor?

Ms. Brenda Kritzer: If you're speaking of the power wheelchair, we did go through a competitive process to select a single vendor. So we have a single vendor for that high-powered wheelchair, and that includes adjustments in positioning; the wheelchair isn't just about mobility—moving forward—but also changing of position.

We have a centralized equipment pool. They manage that service for us. They do the recycling, which is actually a refurbishment. So when an individual no longer requires that wheelchair, the wheelchair is returned to the centralized equipment pool—I'll call it the CEP—and, depending on how long the wheelchair

has been out, the client is provided with a rebate on the amount they have paid, and that varies.

Mrs. Liz Sandals: What I'm interested in again is really the service component of this. For example, I have a constituent who is in a very sophisticated wheelchair and who is almost a quadriplegic—a little bit of hand movement—but can do no positioning. What she tells me is that she needs frequent service, because as her condition changes, that chair may need different sorts of adjustments over time and different cushioning and things because of the degree of disability that she has. She finds it very difficult to get appropriate service from the one and only service provider.

In a case like that, when we've narrowed it down to one vendor—and the service is very critical to the use of the device—how do we assess whether that vendor is actually delivering service that meets the medical needs of the client, for quality of life in this case, quite frankly?

Ms. Brenda Kritzer: Generally, it's through a complaint mechanism. If someone's not getting the service they require, then we would hopefully hear about it. If your constituent is not happy with the service that she's getting, I'd be happy to follow up and ensure that she gets that.

Mrs. Liz Sandals: Have we ever thought about providing people with choice so that they have a little bit of flexibility, given the service issues?

Ms. Brenda Kritzer: Again, I could get back to you. This model has been in place since, I believe, 2001. We felt that this was a good business model, given the very high cost of this device. For example, the average powered wheelchair is about \$20,000. That's pretty steep, especially for a client who then has to find 25% of that. We wanted to ensure that we were moving these through. Because many of these wheelchairs are not really required for a long period of time, we wanted to make sure that we had a good system in place to move these wheelchairs back into service—a competent vendor who can distribute appropriately, meet the client's needs for fitting and servicing and then retrieve and refurbish the wheelchair and put it back into service.

The Vice-Chair (Mr. Peter Shurman): Thank you, Ms. Sandals. Questioning to the NDP. Madame Gélinas.

M^{me} France Gélinas: I don't know where to start, but I'll start with this: Some of the comments that you make fly in the face of what the auditor's report says.

I'll start with saying that when a client goes and selects—we'll take a mobility device—he or she may select extra warranty or whatever. For all of this, ADP pays the base price plus 33%, but the auditor tells us that we pay up to 84%, 117% or 128% more than the manufacturing price. He has done an audit and shows that when people in your ministry review those invoices, they don't ask for the manufacturing price; therefore, they don't have a comparison to work with.

Then you go on to say that the vendor provides the service, and this is why we have a markup of 33%. The auditor says that it's way high. This is an insult to every therapist, every children's treatment centre communi-

cation therapist who spends weeks and months with those people to show them how to use their high-tech computer so that they can communicate. It's not the vendors who do this. If you're paying for that service, we're all getting ripped off, because they're not the ones who teach those people how to use it. It's the therapists in children's treatment centres and in rehab units and at the CNIB who do that work. You're leading us to believe that we're getting all of that work done within the 33% margin when the auditor has already told us that it's more in the range of 100% to 128%.

Then you go on to say that motorized wheelchairs are being recycled when, again, the auditor shows us that only 8% of electric wheelchairs actually get recycled, and none of the manual ones get recycled in Ontario. We ship them out to Third World countries.

What am I missing here? How come the story you're telling us is all good and a system that works well and that is compassionate, and we're getting value for money, when I have this book in front of me that tells me a completely different story with numbers that scare me?

Mr. David Hallett: I'll go back to my earlier comments to Madam Sandals, and those are that we agree. We wouldn't dispute that there are instances where vendors are overcharging. If you're going up to 84% or 114%, from my perspective, that would be price-gouging. We don't accept it. We don't think it's appropriate. We specifically don't think it's appropriate for the clients who are being looked after, the most vulnerable, on that side of it, and when we find out about it, we do pursue it.

1350

But we need to do more, and that's the intent of the program, going forward. How do we get a handle on this to make sure that we minimize—we'll never eliminate it totally—the amount of abuses in terms of markups for any of the categories of devices that clients are using out of this program?

You touched on the issue of wheelchairs being shipped to Third World countries. Again, we looked at that. I understand that Alberta and Quebec have a recycling program that they seem to be reasonably comfortable with. We've looked at it and decided to take a pass in past years. Going forward, in this year, I've already directed the team to say that we're going to look at it again, because what may not have been practical for recycling of wheelchairs is something that may be more appropriate now and that might actually drive better value for money, and it still might meet the needs of the clients that need them, on that side of it.

Brenda, do you want to add anything more?

Ms. Brenda Kritzer: I would like to comment on the recycling or refurbishing of the power wheelchairs. Of course, it's dependent on when the client returns it. The program has been operating. We feel that we are pretty much hitting the target, and would be discussing that further with the Auditor General. But if clients aren't returning them, if the wheelchair is still meeting their needs and the client is still there, then it's not returned.

We can set a target for recycling, but that depends very much on the wheelchair coming back in and being in good enough shape that it can be refurbished and put back into service.

M^{me} France Gélinas: You had a target of 20% for the first year, rising up to 25%. We are at 8%. How can you say that we've met the targets? Why are you using this language when we are not?

Ms. Brenda Kritzer: I will send you the statistics on what the program has actually achieved in the last year.

M^{me} France Gélinas: Are you saying that the 8% that the auditor has put in his report is not true?

Ms. Brenda Kritzer: No, I'm not saying that it's not true; I'm saying that what we have to consider is the number of wheelchairs actually coming back in for recycling. I did not have an opportunity to hear from the auditor on what they actually examined in terms of the recycling rate and how they arrived at that percentage. But I'm quite happy to share with them the statistics that we have in terms of the wheelchairs that have been returned, how many of them were deemed suitable for refurbishing, and what the rate is.

M^{me} France Gélinas: I encourage you to read the auditor's report, because he mentions that you had a target of 20% the first year, 25% the second year, and that you have achieved 8%, and that the government never got any money back for the difference in the targets that were supposed to be met and what was actually delivered.

To fix the problem—I would like to hear from you an acknowledgement that we have one. The first step in moving forward is to acknowledge that something is wrong so that you can fix it. But all the answers I'm getting from you are that everything is just hunky-dory and we have those systems in place and it works and they bring it back. None of it is substantiated by what the auditor is saying.

My last point—and I hope I'm happier with this than the rest of it—is the reporting of registered health care professionals. The auditor says, "In cases where the ministry did find potential conflict of interest"—even when you did find misconduct, you did not report those professionals to their colleges. How come?

Ms. Brenda Kritzer: Our process has been to try to achieve compliance with our policies. So if we determine that there is potential for conflict of interest, our process is to identify that with the vendor, identify it with the authorizer, make sure that they clearly understand our policies, and follow up with them to achieve compliance. It's not to necessarily deregister them. So in terms of conflict of interest, generally we are getting our needs met.

We have very recently met with the colleges to talk to them about the comments of the Auditor General. We asked all of the colleges to read the report, and we are working with them to develop a process that will be more stringent and that we can report to them on the conflict of interest that we see.

M^{me} France Gélinas: The conflict of interest that you see leads me to believe—how come you don't see them?

How come the Auditor General goes in there for a couple of weeks and is able to give us pages of examples, and yet none of those were acted upon before? He gives examples of the same authorizer prescribing 80% of mobility aids or scooters or whatever else, and nothing was done.

Ms. Ruth Hawkins: I would like to add something further to that. That is an area in particular that we are very, very concerned about and it's an area as well in which we would fully acknowledge that we have a lot more to do. We have done some things, but there's much more. For example, in the policy and procedures manual, there is a very clear definition of what constitutes conflict of interest. That's all well and good; however, I think we have to continually remind the vendors and authorizers of their obligations. That's absolutely critical. That is something that we need to do, we need to do it more often and we need to reinforce that we're doing it more often so that people understand that there is some oversight related to that.

Further, we are also trying to spend a lot more time and diligence in terms of looking at the claims that come in such that we look at who the vendors are, who the authorizers are, and looking at claims patterns, for example, so that we can detect where there would be potential areas that we need to pay attention to.

Thirdly, in incidents where we see unusual patterns, we also need to—it's not only calling them up, per se, but also sending letters, asking for explanations, sending letters to clients and saying to them, "Is this the service that you received? Were you actually provided with a list of other vendors that could provide you with this equipment?" That, to me, where we have a lot more to do and are very committed to doing that.

Where we find that there are vendors and/or authorizers that are not adhering to those particular policies and procedures, they absolutely—this is where we would get into—and we have to be much better at this and will get better at this in terms of what I would call being more progressive in terms of—this is a pretty strong word—the discipline around that kind of behaviour.

M^{me} France Gélinas: I would say that you say all the right things, but the auditor shows us that over the last three years, there have been 128 investigations. That's it; that's all. So the follow-up with the letters and all this is all good practice and I encourage you to do this, but when the auditor goes in and checks—you've done 128 of them in three years. What's wrong? Where is the disconnect here? You know what to do. You're giving me the right answer—what I want to hear—but when we go and check if you do it, you're not doing it.

Ms. Ruth Hawkins: And that is absolutely why we accept the recommendations that the auditor has given us. We absolutely also accept the fact that we have not done a good job in that area, and that is an area where we have to do better at.

Mr. David Hallett: We have 38 full-time people to support that program across 11 categories, and the fact that it's \$347 million in expenditures for all of those

categories combined, given the hundreds of thousands of claims that are done—on average, 1,200 claims per day—we have to fundamentally rethink how we can better approach the investigation and the pursuing of inappropriate claims. Our intention is to do that.

Mr. Peter Shurman: Just thinking: If all you've got is 38 people, we'll get them to fire some of those 300 tobacco police who aren't doing anything and get you the money. You can get some more people. Bob's your uncle. I'm just kidding.

On a very serious note, some of the things that I'm hearing sound dangerously close to, if not indeed being, fraud. I'm not talking about on the part of the department; I'm talking about on the part of suppliers. In terms of enforcement, we'll drill down a little bit and see what you're doing with it.

1400

Let's deal for a moment with computer-type devices. The reason I want to talk about those is because they're somewhat of a different category than talking about mobility devices like wheelchairs, scooters and CPAP machines. Computer devices, monitors, scanners and those types of things are things that we all own. All Ontarians buy them. We just don't get assistance with them because we buy them for our own particular use—and somebody else who you're dealing with needs them. I understand that.

The average markup, according to the information that we've got, is 128% on devices like that. My friends in the computer industry tell me that we're probably looking at something more akin to 25% to 30% markup in a typical retail store. Is this still the case? And is the 128% average, the figure that I've supplied, a legitimate figure?

We're also being told, for example, on the high end of that—because that's an average figure—monitors, printers, scanners are being billed at an even higher markup.

Mr. David Hallett: I wouldn't disagree that there are exceptions where certain vendors may be, but I'd be cautious about saying that all vendors are doing that, in terms of price-gouging, in terms of the markup.

I'd also want to be a bit careful about the fact that going to my local Best Buy and buying a computer versus getting a computer that has the adaptive technologies for a person who has speech or vision problems—the technology components and the servicing around that is part of the whole package. It's different from going to a Best Buy, when they ask at the end of the bill for your computer, "Do you want a three-year warranty with that?", and then you can bring it in. This may involve the terms of the service package, where the client has chosen to have on-site service for all of the pieces of technology around it. It's more than just the operating system or the monitor itself; it's the inside hardware, and there's certain software. The example I would use is, I experiment with speech-recognition software to pronounce words. I'm pretty good at speaking the normal language, but that software still doesn't get 100% of what I need to do or the instructions. The software that may be

being used by the clients on that computer must be more robust, more premium than the normal consumer would use. All of that has to be considered.

So I want to be a little careful about trying to do an apples-to-apples comparison when I don't think that it may be appropriate.

Mr. Peter Shurman: I recognize what you're saying, and I recognize that there are some aspects of this that are particular to the user. I used to be involved in a business where we employed people who had to keyboard all day, and I remember employing people who didn't have the use of one arm. They'd get a special keyboard and could do it with one hand, faster than some people can do it with two. You don't buy those keyboards at Best Buy. So I get that.

I focused particularly on things like monitors, printers and scanners because those particular devices are pretty consistent regardless of who the user is. That's what we're talking about with regard to 128% average mark-up—higher on balance for those particular things. Where do we stand today with a procurement policy? After your explanation and my agreement that there are some specialty aspects of it, that's what we got from the auditor's report. Where do we stand as we speak?

Mr. David Hallett: In my opening comments, I said that we accept the findings and we currently have a review under way—I think we said we're going to complete it by April of this year—that's looking at entire computer components to see what the prices should be, so we can figure out how best to drive down those costs for the clients who use them.

Mr. Peter Shurman: Would you have in mind the same type of policy you've been referring to in other areas, like a single supplier based on a tendering process? Or would you put out an RFP that said, "We're looking for"—fill in the blank—"some markup and we're calling on submissions from people who are prepared to meet it"?

Mr. David Hallett: We would look at the model that's going to drive the best mixture of price and service.

Mr. Peter Shurman: Okay. We are told that vendors sometimes billed for two devices—for example, a scanner and a printer—in separate invoices, but what was discovered by the auditor was that a lot of these devices turned out to be one box. I think we all know that you can buy a scanner, printer and fax all in one. That is where I alluded to fraud, because that is fraud as far as I'm concerned. Would you agree with that characterization? And where that was discovered, what's the relationship between you and those suppliers now?

Mr. David Hallett: I'd have to know the particular vendor that was the cause of that. But the bottom line is that I concur fully with you. If a vendor is providing a bill that says, "Here's the price for a scanner and here's for the printer," but is actually providing all in one, it's not acceptable. When it is brought to our attention, we need to pursue it and pursue it correctly. It could be an innocent error; it could be a malicious error that was done to price-gouge. In each case, we'll look at it, and if the case is a fraud—

Mr. Peter Shurman: Well, I would have a problem—

Mr. David Hallett: When we suspect the case is a fraud or inappropriate behaviour, we have called in the Ontario Provincial Police to do investigations.

Mr. Peter Shurman: You have done that?

Mr. David Hallett: Yes, we have.

Mr. Peter Shurman: Good, and I encourage you to continue to do it.

I'm going to restate what my colleague to my left said earlier: You provide me, when I ask these questions, with perfect answers. That's exactly what I would expect and probably what I would say, were the roles reversed. However, "say" and "do" are two different things, and I will repeat for the record that I heard you say earlier that you're new on the job.

Mr. David Hallett: Yes.

Mr. Peter Shurman: I just don't want to be here in a year talking to somebody else who says, "I'm new on the job and yes, we have to correct those things." I'm not doubting your sincerity; I'm doubting your ability, within the context of the Ministry of Health and Long-Term Care, to actually effect these changes.

Mr. David Hallett: Well, I hope to prove you wrong.

Mr. Peter Shurman: Yes, I hope I'm wrong too.

Let's talk about volume discounts. How many monitors—

The Chair (Mr. Norman W. Sterling): Can I just ask a question?

Mr. Peter Shurman: Yes, of course.

The Chair (Mr. Norman W. Sterling): With regard to your referring it to the police, what do you do with the provider of those services? Do you cut them off immediately, and if not, why not?

Mr. David Hallett: That's an area where I don't have a perfect answer for you, but as we're reviewing it, the same thing: There's a problem regarding whether you automatically just terminate someone. In some cases—

The Chair (Mr. Norman W. Sterling): What's the problem?

Mr. David Hallett: Pardon me?

The Chair (Mr. Norman W. Sterling): What's the problem? They could sue you if you incorrectly did that?

Mr. David Hallett: Possibly, but that's not it.

The Chair (Mr. Norman W. Sterling): So what?

Mr. David Hallett: Possibly, but that shouldn't necessarily be the reason. The issue is that on a certain device as a category, depending on what category the person is getting, we want to be careful that we don't cut them off and actually inadvertently affect the health of the individual. So if someone has cystic fibrosis or emphysema, uses home oxygen and has a provider providing theirs, if we say, "You're now terminated," and the vendor takes a turn and says, "Okay, I'm not going to support that client," we could put that person at risk. That's not what we want to do.

It isn't necessarily about termination. When we suspect things, we're looking at—and I've asked the team to look at this—communicating ahead of time to advise the vendors that we will suspend them and follow

up with an investigation that we're going to have with them. So rather than just outright terminating them, we're looking at suspending them, and that means they can't do any business with the government until we complete our investigation. That will be an incentive for them to help us complete the investigation as quickly as possible.

The Chair (Mr. Norman W. Sterling): Would you provide us with statistics as to how many police investigations you have requested, as well as how many of those people's relationships, in terms of vending with the government, were cut off over the last 10 years?

Mr. David Hallett: Sure. I don't have that information, but we'll follow up and provide that to you.

The Chair (Mr. Norman W. Sterling): The other question I have: Both Alberta and Quebec have pretty successful recycling programs with regard to scooters, wheelchairs and that kind of thing. Has the ministry investigated those in terms of perhaps duplicating or imitating those programs? I understand they have much better results with regard to using these used devices.

Mr. David Hallett: The one major argument that I've heard since being briefed on the particular issue of recycling wheelchairs is the liability issue. Nonetheless, I've actually directed the organization that we need to now revisit and look at a recycling program that would be potentially similar and comparative to those of provinces like Quebec and Alberta. We need to fully understand the benefits of their programs and how they work and consider that for the province of Ontario.

The Chair (Mr. Norman W. Sterling): Well, as I understand, in Alberta what they do is that everything goes back into a controlled renovation. Then the party who renovates becomes responsible for those particular wheelchairs, scooters or whatever they are. So what's the liability concern?

1410

Ms. Brenda Kritzer: I believe there's a large hospital in Winnipeg that was operating a recycling program or refurbishing program for manual wheelchairs. They have withdrawn from that program due to concerns about liability.

As David indicated, we're taking a look at other programs that are operating across the country to determine, "Are there models there that would work for us?" With the Quebec model, for example, the Quebec government or the agent owns the wheelchairs, whereas in Ontario, the individual who is prescribed the wheelchair ends up owning it. In Quebec, they continually recycle them. Here, we don't own them; it's up to the individual what happens to that wheelchair when they're finished with it.

That doesn't mean that we don't think that it's an important thing to pursue. We've had queries from people who are saying, "My father no longer requires this wheelchair. What can I do with it?" So we know that it's an area that people are very interested in pursuing, and we're looking at these other models. The model in Alberta is somewhat similar to the model that's operating in Quebec. We understand from the Alberta government that they're actually having some difficulty in moving

those recycled wheelchairs. So we're going to explore that further with them to find out what they are doing to solve that problem and what the cost of operating the program is in relation to what they are actually saving by using recycled wheelchairs.

The Chair (Mr. Norman W. Sterling): Under the present program, there's no requirement for somebody to return it?

Ms. Brenda Kritzer: Not a manual wheelchair.

The Chair (Mr. Norman W. Sterling): Why wouldn't we require that, if we pay 75% of the cost of the wheelchair or the scooter?

Ms. Brenda Kritzer: Our model is that they own it; they've paid 25%. Essentially, you're right. We have subsidized their purchase of the wheelchair by 75%. That wheelchair may be in operation for a short period of time or for several years. If the item costs \$1,000 on day one—

The Chair (Mr. Norman W. Sterling): So there's no reason for us not owning it or not owning 75% of it. Okay; thank you very much.

Ms. Van Bommel.

Mrs. Maria Van Bommel: In your presentation, you talk about cost-sharing models, related in particular to the home oxygen program. At one point, to someone's question, you were talking about a centralized vendor system for motorized wheelchairs. I'm just wondering: What other assistive devices do you do in that way, that you cost-share for your clients?

Ms. Brenda Kritzer: The 75-25 model is in place for most of the devices that we're providing. Home oxygen is 75-25, but seniors receive home oxygen at 100%. For clients of the Ontario disability support program, that ministry pays their 25% and we're paying the 75% that the Ministry of Health pays.

As I indicated, hearing aids are still at a flat rate: \$500 is what we're currently paying. There are a number of areas where we're providing supplies. We've determined an amount that we can support. It doesn't cover all of the supplies that a client may require. For example, we pay for ostomy supplies. We also pay for insulin pumps at 100%. That's the way the program was introduced and approved by cabinet. That's for both children and adults. Supplies: We pay \$2,400 a year, and that's in quarterly payments. The client is required to reapply each year for those supplies.

Mrs. Maria Van Bommel: So if that's the case, and you're saying in here that this allows people to—and you mention it a couple of times—shop around for a vendor for themselves, that's great in areas where there's that opportunity to have that choice, but in parts of the province, we don't have choices like that. We don't even have a vendor in a local community at all. What happens when people need to have supplies, and you start talking about shipping and handling and all these other costs of bringing technicians out? Where does that get covered in all of this?

Ms. Brenda Kritzer: Shipping and handling of supplies?

Mrs. Maria Van Bommel: Of supplies, of the equipment itself, of all of those things. Who pays that?

Ms. Brenda Kritzer: We pay the approved price rate. If there is shipping and handling, that would be either part of the vendor's markup or the vendor may pass that on to the client.

Mrs. Maria Van Bommel: So in other words, there's a disadvantage to people who don't live in areas where vendors are readily available, that they can go and get, say, the hearing device or the insulin pump or anything like that.

Ms. Brenda Kritzer: Our policy is that the vendor cannot charge more than the approved price.

Mrs. Maria Van Bommel: So when we talk about cost-sharing making it fair for everyone, it is then fair for those who live in rural and northern areas?

Mr. David Hallett: Yes.

Mrs. Maria Van Bommel: Okay. Thank you.

Ms. Brenda Kritzer: It should be the same price.

The Chair (Mr. Norman W. Sterling): Go ahead, Mr. Zimmer.

Mr. David Zimmer: So here's what I'm troubled by; it sort of sends a tremor through my confidence on this issue.

The assistive devices program is a program run by the civil service. The civil service, by definition, are expected to be professional managers. Professional managers manage things and they have supervisors who manage the managers.

What really sets me off is, when I listen to all of the very good things that you've said about the changes that you're going to make and you're going to do better and you see the errors of your ways and all of that sort of stuff, I have to ask myself: How is it that professional managers, brought in to manage a specific program, the assistive devices program, don't catch all these managerial shortcomings that you've acknowledged until after the event and, indeed, after someone like the Auditor General goes in and quickly points out the managerial failings? The mea culpas follow the event. It just boggles my mind that professional managers aren't in there at the front end. That's what management is all about. Can you help me with this anxiety that I have?

Ms. Ruth Hawkins: What I would like to say—you've raised a very good point, which is that some work was done in terms of catching irregularities, whether it be in claims or whether it be in authorizer/vendor relationships. We certainly have tried—we had and have identified areas where there were some definite issues—

Mr. David Zimmer: Look, I don't mean to interrupt you. I appreciate that you've identified these things, but all of this exercise, this conversation that you're about to embark on, is hindsight. Can you tell me why professional managers didn't catch this at the front end? That's what management is all about, not looking back and saying, "This is where it came off the rails." Professional managers keep things on the rails. So why weren't things kept on the rails?

Mr. David Hallett: Mr. Zimmer, I'll try to answer that question straight up on this.

Mr. David Zimmer: Yes.

Mr. David Hallett: The popularity of the program over the last eight years, as I mentioned earlier, has gone dramatically up. The Auditor General reports that the expenditures from 2001-02 went up 91%. The number of clients on the program went up 58%.

As I mentioned earlier in another answer on this one, I think the issue is that the popularity of the program and the volume of people on the program may have outpaced our ability to size up the organization to support it. With 38 people that started off the program—

Mr. David Zimmer: Let me stop you there. A responsibility of management is to identify bottlenecks in whatever process they're managing. At some point with this overload—and I appreciate the overload; I appreciate the consequences and the difficulty in dealing with that—the solution, or the responsibility of the managers, is to jump in and say, "There is a serious bottleneck here, and we have got to unblock this." Was that done?

1420

Mr. David Hallett: I can't speak about the past and what was done by past leadership. What I can tell you, having the benefit of the Auditor General's report, is that I'm better positioned to look at this program and determine how to move forward.

Mr. David Zimmer: So you don't know.

Mr. David Hallett: That's the answer.

Mr. David Zimmer: All right.

The Chair (Mr. Norman W. Sterling): Can you provide to the committee whether there were any requests by management over the last 10 years for additional staff to deal with this problem? Were there requests to Management Board? Surely you could have gone to the Management Board and said, "Give me 10 more staff and I can save you \$10 million?"

Mr. David Hallett: I don't have the answer today, but we will look into it and we will be pleased to provide you with follow-up.

Mr. David Zimmer: I'd very much appreciate it.

Just so I can get my head around the human aspect of this, can somebody walk me through the process of how someone gets an assistive device? Let's take a moderately complicated wheelchair: Somebody's out there and something has happened to them—an accident—and they need this chair, so I guess they call or something. Can you tell me how it works from the start to how they actually get the chair and are in it and away they go?

Ms. Brenda Kritzer: Okay. An individual presents with a clinical circumstance. Initially, the conversation tends to be with the physician, but not always with the physician. In this case, it would likely be a physician within a hospital setting.

The individual, first of all, is going to be referred to a professional who can do an assessment. In this case, that assessment would likely be done by an occupational therapist or a physiotherapist. That occupational therapist/physiotherapist will work with the individual in their home to determine what the appropriate device is for them and what kind and size of seating they require

etc. They may be applying for both a wheelchair and a wheeled walker. The assessment will look at your requirements, your ability to manipulate the device, your physical requirements etc. The therapist will also take a look—

Mr. David Zimmer: Let's assume that they've settled on the kind of device. What I'm interested in is how you go out and get the device: who you cut the deal with, how you decide how much to pay for it and all that stuff.

Ms. Brenda Kritzer: The therapist and you, the client, will complete most of the application, and the therapist will provide you with, or should be providing you with, a list of registered vendors in your community or close to your community who can meet your needs.

Mr. David Zimmer: And that list is maintained by the ministry?

Ms. Brenda Kritzer: Certainly we have a list of all of them, but they will generally have a list of the vendors in their area.

Mr. David Zimmer: That list has to be vetted by the program?

Ms. Brenda Kritzer: It's registered vendors.

Mr. David Zimmer: How do you get on to that list?

Ms. Brenda Kritzer: You have to be registered with the ministry.

Mr. David Zimmer: Okay. Tell me the process for a wheelchair manufacturer to get approved on the list.

Ms. Brenda Kritzer: A wheelchair manufacturer would look to have the device approved as a device that we will list. A vendor will submit an application package to us that will include the types of devices that are carried and what kinds of professional staff they have on hand to provide assistance; there are various business requirements as well.

Mr. David Zimmer: Now tell me how you go about settling the price of the assistive device.

Ms. Brenda Kritzer: The pricing of the device is set by requiring manufacturers to provide us with the cost of a device—a single wheelchair—to a vendor. So it's not a discounted price. What is the manufacturer's price to the vendor? We collect that from all manufacturers of a particular device, and then we set the price.

Mr. David Zimmer: So it's not necessarily the one at the lowest cost. Is that right?

Ms. Brenda Kritzer: It may be, for example, that there could be 15 different varieties of wheelchairs, so we may list all 15, and we're listing the manufacturer's price.

Mr. David Zimmer: How do you decide which chair to give the person, and at what cost? That's what I want to know.

Ms. Brenda Kritzer: The decision around which chair is appropriate is made between the client and the authorizer, who is the therapist working with them.

The Chair (Mr. Norman W. Sterling): You said the manufacturer's price wouldn't be a discounted price. When you walk into any store, you see the manufacturer's suggested retail price. Is that what you're working off?

Ms. Brenda Kritzer: No. We're asking them what the price is to the vendor for that device, and then we allow the vendor a markup.

The Chair (Mr. Norman W. Sterling): To sell one to the vendor or sell 10 to the vendor?

Ms. Brenda Kritzer: To sell one.

The Chair (Mr. Norman W. Sterling): Even though most vendors would buy 10?

Ms. Brenda Kritzer: It depends on the community. In some communities, of course, a vendor can afford to carry a larger volume of some devices, and in other areas they can't.

The Chair (Mr. Norman W. Sterling): When the person goes in with the suggested price—let's say it's \$500—can the vendor say, "Look, I'll do a special deal with you. You won't have to pay your 25%."

Ms. Brenda Kritzer: If they wish, they can do that. We pay one price.

The Chair (Mr. Norman W. Sterling): In other words, the person who's getting it may not pay anything even though they're supposed to pay 25%?

Mr. David Hallett: In certain situations it's possible.

Mr. David Zimmer: Those are my questions, Chair.

The Chair (Mr. Norman W. Sterling): Ms. Sandals, did you have a few questions?

Mrs. Liz Sandals: Madame Gélinas raised the whole issue around professional misconduct and how you communicate with the professional colleges. I guess two questions here: One, do they accept your complaint if you lodge a complaint? Is the Ministry of Health on their approved list of people from whom they will accept a complaint? It's not a given, if you're dealing with the College of Physicians and Surgeons, that they will accept essentially a third party complaint—you're not the client. Is there any issue there?

Then, could you give us a little bit more of a sense of when this whole business happens in the reverse direction, which the auditor raised, if the college for some reason withdraws membership—either the person didn't pay a fee or it's a discipline issue. How do you get those people taken off your list of approved whatever? Could we talk about the back and forth both ways?

Ms. Brenda Kritzer: In our meeting with the colleges recently, as I said, we asked them to review the auditor's report and recommendations. Naturally, as with the College of Physicians and Surgeons, they prefer that a complaint come directly from the person who is impacted: the patient or client. And what we have always done in the past is ask the client to ensure that they're contacting the college to explain their complaint.

Mrs. Liz Sandals: But realistically, if it's conflict of interest, as long as the patient got the wheelchair, they actually don't have a complaint. It's us, as the taxpayer, who have the complaint.

Ms. Brenda Kritzer: Exactly. What we have agreed with the colleges is that we will forward to them the concerns we have. So, when we are doing an investigation and we arrive at a point where we're saying, "Yes, there's an actual conflict of interest," we will inform

them that we are investigating this conflict of interest, and probably of the actions we're taking.

But that does not necessarily mean that the college is going to take action, because their definition of a conflict of interest is not necessarily ours. Ours is from the perspective of our program. For example, the audiologists' college allows audiologists to actually sell the device, whereas we're saying that an audiologist is not the person who should be selling the device.

1430

In terms of the reverse part of your question, when you asked how we are keeping up to date, the colleges are now required to publish online on their websites a list of members and also publish any conditions that may be attached to a person's registration with the college. We will be using that, and we will be implementing a process of a sort of random audit that progresses through the year, so that we're looking at the current registration status of the authorizers in all the colleges.

In addition, every two years, we do send out a form to the authorizers requiring them to provide us with their current registration status. The auditor noted that we hadn't followed up on cases where they hadn't submitted, and we have been doing that. We will ensure that that process is tightened up and that we are doing that every two years.

Mrs. Liz Sandals: If I could just comment, going back to the first part of the question, if we're dealing with this conflict-of-interest issue and it isn't necessarily professional misconduct and it isn't necessarily criminal fraud, which the OPP would be interested in, that really leaves it an issue between the Ministry of Health and its registered vendor. It's really sort of falling back to the Ministry of Health to deal with the issue, because it wouldn't meet the threshold of what the other two players are concerned about; it's a Ministry of Health issue. Thank you.

The Chair (Mr. Norman W. Sterling): Ms. Gélinas.

M^{me} France Gélinas: The auditor mentioned that, as you know, ADP is not the only one that pays for assistive devices. Certainly WSIB pays for quite a lot of them, and the same thing with Veterans Affairs. The auditor has identified duplicate payments, where clients made a claim to ADP but also made a claim to either Veterans Affairs or WSIB—I suppose there could be others—and that there is no information-sharing agreement in place between ADP and WSIB. How do you go about making sure there are no duplicate payments?

Ms. Brenda Kritzer: We did investigate the findings of the auditor, and it's our determination that there was not duplicate payment; the WSIB had paid 25% on behalf of the client, and we had paid 75%. Unless we are able to examine the specific records that the auditor is referring to, it's our finding that there is not a duplicate payment currently.

M^{me} France Gélinas: But the auditor goes on to say that the ministry has recovered \$110,000 worth of duplicate—

Ms. Brenda Kritzer: That's right, and that is where there is a payment—could I just take a moment to provide a little bit more explanation? The process that WSIB uses to determine whether or not they will be paying versus our process is quite different. We're testing for hearing, whereas they're looking not only at the question of hearing loss but what is the cause of the hearing loss. Quite often there's a delay before someone is actually given a hearing aid, and they will pay for it. So we sometimes find ourselves paying for a hearing aid and later making a recovery from WSIB because they have, subsequent to our providing the hearing aid, made a determination in favour of the client. That's where a duplicate payment may occur and we do a recovery.

In terms of the information-sharing agreement, we have had, in the past, an information-sharing agreement regarding hearing aids. We have met with WSIB, and we have agreed with them that we will work toward establishing a memorandum of understanding regarding the sharing of information on all device categories.

We're also looking at Veterans Affairs Canada. Veterans Affairs Canada, however, indicates that their policy is that provinces are the first payer in all instances except, again, hearing aids.

M^{me} France Gélinas: So you will be developing an information-sharing agreement with WSIB. How long a time frame are we looking at?

Ms. Brenda Kritzer: I expect we would have that in place in early April.

M^{me} France Gélinas: And for Veterans Affairs?

Ms. Brenda Kritzer: Veterans Affairs: Again, there's some consideration. We've contacted them; we've had some discussion with them. They're taking a look at it, but they have made clear that their policy is we pay first.

M^{me} France Gélinas: The auditor also mentioned that only 40% of the people who receive the \$600 for ostomy supplies had submitted receipts. That leaves 60% of them who did not. How come?

Ms. Brenda Kritzer: Again, it's not a requirement that they submit receipts. Currently, our requirement is that they hold on to their receipts for a period of time, during which we may ask them to submit as part of an audit process.

We have taken note of the auditor's recommendation and will be strengthening our processes to ensure that we are sending out more frequently to check on whether or not the person still qualifies for the grant.

M^{me} France Gélinas: And you wouldn't put in place a program where they submit \$600 worth of receipts once a year and just be done with it?

Mr. David Hallett: We'll be looking at it.

M^{me} France Gélinas: Okay. That's it for me.

The Chair (Mr. Norman W. Sterling): Mr. Shurman.

Mr. Peter Shurman: Just a couple, quickly: The auditor's report came out about a year ago. In the period of time that has elapsed—a year—has the ministry terminated any agreements with vendors or authorizers?

Mr. David Hallett: Just a point of clarification: It came out in November 2009.

Mr. Peter Shurman: Two months ago?

Mr. Jim McCarter: A fairly final copy of the draft report maybe six months ago.

Mr. Peter Shurman: Six months ago.

Mr. Jim McCarter: Ballpark.

Mr. Peter Shurman: Okay. Any terminations since then? Can you give us numbers?

Ms. Brenda Kritzer: I believe we have terminated one vendor. We have probably sent out in the neighbourhood of 40 to 50 letters to vendors requiring an explanation of what we see as irregular billing patterns and a potential conflict of interest with authorizers.

Mr. Peter Shurman: Just a couple of questions on the review process: The auditor reviewed a sample of client files from two major vendors in home oxygen, but the two vendors account for more than 60% of the home oxygen supply. One third of the files showed that no assessments had been done for the past 18 months, no test results had been recorded or the results indicated that the clients no longer met the criteria for long-term home oxygen supply. What's the movement on that in the period of time that has elapsed?

Ms. Brenda Kritzer: Are you asking about the particular instances that were identified by the auditor?

Mr. Peter Shurman: No, I'm just concerned with the volume here. If you've got two vendors who are doing 60% of the home oxygen and you've got the no-assessment situation for 18 months or no test results being recorded, what has happened in the six months, and is that—again, I'm not trying to answer the question for you—in the realm of your computer and your reporting capability?

Ms. Brenda Kritzer: What we have done, as David described, is implemented or released an RFP that does require annual testing and confirmation by the physician for the continued need for home oxygen. In developing that—

Mr. Peter Shurman: I don't want to interrupt you, but I want to get the complete thought. If it requires those things, does it also clearly say that, absent those things, things just drop; we no longer pay?

Ms. Brenda Kritzer: That we will not be paying them? We provide a period of time, but I can look into that, sir, and come back and clarify whether or not our RFP has been that specific in terms of actions we will take if the test is not provided.

Mr. Peter Shurman: I would hope so.

On ostomy supply—I believe you just touched on this, but I want to go back to it for a second—I notice that only 40 of 287 clients had been reviewed, and that review is quite old; the last review was 2005. The ministry said that it would reinstate the review process. Has that happened?

Ms. Brenda Kritzer: No.

Mr. Peter Shurman: When would you expect that to happen?

Ms. Brenda Kritzer: It will be happening this year. We will be doing that immediately.

1440

Mr. Peter Shurman: I'm going to ask one more question, and I suspect the answer is the same. This is pertaining to insulin pumps. The auditor reviewed a sample and noted the cases where the delivery date of the pump preceded the date of the client's eligibility, which is mind-boggling. The auditor suggested to the ministry that it might wish to examine its current policy, but said that if it is deemed appropriate, it should be enforced. I would think it's deemed appropriate across the board. This is the taxpayer funding something that is, yes, vital on the one hand, but on the other hand, has to be verifiable. Where are we with that?

Mr. David Hallett: We will be reviewing it this year.

Mr. Peter Shurman: This is the last point I want to make, and it kind of brings us full circle to the first point that I made: It sounds to me like all of the questions and all of the answers from all sides of this table come to the same conclusion as the auditor, and it seems to me that you do too—without trying to put words in anybody's mouth—that there's a lot wrong, that the auditor is basically correct in his findings, that you agree with that, that things are going to change and that, if we were to be here a year from now, most of them would have. Is that a summary I can take home?

Mr. David Hallett: I'm fortunate enough to come into a new position and have the benefit of having an Auditor General's report that gives me a lot of information to make some substantive changes to that program, to make it better for the clients who are served across this province by it.

Mr. Peter Shurman: Thank you.

The Chair (Mr. Norman W. Sterling): Vis-à-vis hearing aids, you say it's a flat price of \$500 and you don't know whether the person receiving the hearing aid has actually paid anything or not. Is there any limit on the number of hearing aids an individual can get?

Ms. Brenda Kritzer: We will fund \$500 for one hearing aid for each ear.

The Chair (Mr. Norman W. Sterling): Can they go back the next year and get another \$1,000?

Ms. Brenda Kritzer: No. Currently, we've defined a period of three years. We're looking at that in terms of whether or not hearing aid technology is at the point where we can extend the point where a replacement hearing aid would be appropriate after a longer period of time.

The Chair (Mr. Norman W. Sterling): How long has it been \$500?

Ms. Brenda Kritzer: I can't tell you how long it has been \$500, but I would think it has been that for many years.

The Chair (Mr. Norman W. Sterling): Hasn't the price dropped? With all electronic devices, you would expect a decrease in price.

Ms. Brenda Kritzer: Our understanding is, in the market, the average hearing aid is probably \$1,000. WSIB is currently paying about \$1,400 per hearing aid—

The Chair (Mr. Norman W. Sterling): We had WSIB here last week, and I wouldn't suggest you suggest that they run their shop with a sharper pencil than you.

Have you ever asked the manufacturers of assistive devices like scooters and wheelchairs for their price for two chairs or 10 chairs? Do you ask them those questions?

Ms. Brenda Kritzer: No, we haven't. You're asking whether we asked them what the discount is that they are providing. As we complete our current pricing review but go into a more in-depth review of how we are setting prices, we will be looking at how we can capture discounts, and whether we can capture discounts and still provide access to clients across the province.

The Chair (Mr. Norman W. Sterling): Any further questions?

The Auditor General told us that the waste here was in the tens of millions of dollars. Can you say to us that you will come back with a plan that will save us tens of millions of dollars?

Mr. David Hallett: The intent is to go forward and develop a more robust modernization of the assistive devices program, with the intent of achieving value for money, including the issue of, can we drive the costs down? If we drive the costs down, we should be making savings.

The Chair (Mr. Norman W. Sterling): Mr. Zimmer.

Mr. David Zimmer: In answer to one of my questions, you made the point that you've recently arrived.

That's fair enough. Who was in charge of the assistive devices program previously?

Mr. David Hallett: I don't have the answer.

Ms. Ruth Hawkins: The position reported to the assistant deputy minister of corporate services, and that particular position reported to me, too, for a period of time, as executive lead.

Mr. David Zimmer: Did you ever lower the boom on the manager of the program?

Ms. Ruth Hawkins: We certainly have had many discussions around the work that needs to be done. Certainly, we monitored very closely the work that needed to be done, and we also have looked at what needs to be done. Frankly, this report helped us move even further.

Mr. David Zimmer: So the managerial shortcomings were identified?

Ms. Ruth Hawkins: I think there are many areas that have been identified as areas that we have looked at, need to look at and will continue to look at.

Mr. David Zimmer: Were there any personal consequences involved for any of the folks in charge of the shortcomings?

Ms. Ruth Hawkins: I guess that's a matter of interpretation.

Mr. David Zimmer: Thank you.

The Chair (Mr. Norman W. Sterling): Thank you very much. I'd ask people to stay back for a few minutes so we can instruct our researcher with regard to the report.

The committee continued in closed session at 1443.

CONTENTS

Wednesday 3 March 2010

2009 Annual Report, Auditor General

Ministry of Health and Long-Term Care P-493

Mr. David Hallett

Ms. Brenda Kritzer

Ms. Ruth Hawkins

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Chair / Président

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Vice-Chair / Vice-Président

Mr. Peter Shurman (Thornhill PC)

M^{me} France Gélinas (Nickel Belt ND)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. David Ramsay (Timiskaming–Cochrane L)

Mrs. Liz Sandals (Guelph L)

Mr. Peter Shurman (Thornhill PC)

Mr. Norman W. Sterling (Carleton–Mississippi Mills PC)

Mrs. Maria Van Bommel (Lambton–Kent–Middlesex L)

Mr. David Zimmer (Willowdale L)

Substitutions / Membres remplaçants

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mr. Michael A. Brown (Algoma–Manitoulin L)

Mr. Rick Johnson (Haliburton–Kawartha Lakes–Brock L)

Mr. Charles Sousa (Mississauga South / Mississauga-Sud L)

Also taking part / Autres participants et participantes

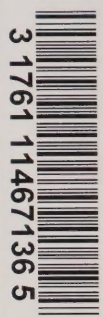
Mr. Jim McCarter, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Legislative Research Service



3 1761 11467136 5